JZ CAPITAL PARTNERS LIMITED

Condensed Interim Report and Financial Statements
For the Period from 1 March 2015 to 31 August 2015

Contents

JZ Capital Partners Limited is a member
of the Association of Investment Companies (AIC)
and Listed Private Equity (LPEQ)

Who We Are

Corporate Objective

"To create a portfolio of investments providing a superior overall return comprised of a current yield and significant capital appreciation."

About Us

JZ Capital Partners Limited ("JZCP") invests in high-quality US and European micro-cap companies, as well as real estate properties in the US. JZCP's investment objective is to provide an overall total return comprised of dividend yield plus stock appreciation. The current Board policy is to pay a dividend equal to 3% of net asset value, paid through semi-annual instalments.

JZCP's investment adviser is Jordan/Zalaznick Advisers, Inc. ("JZAI") which was founded by David Zalaznick and Jay Jordan in 1986. JZAI has investment professionals in New York, Chicago, London and Madrid.

JZCP offers investors unique access to the US and European micro-cap buyout markets, providing a strong history of Net Asset Value ("NAV") and dividend growth. JZCP creates value by buying high-quality privately owned micro-cap companies in non-auction transactions, providing capital and actively working with the existing management to grow the businesses before selling to strategic buyers.

In the US, JZCP has an innovative buy-and-build strategy to acquire controlling stakes in high margin micro-cap companies in fragmented industries such as industrial services, water treatment services and healthcare revenue cycle management.

In addition, JZCP has teamed up with a successful real estate team to invest indirectly in commercial and residential properties that are not "fully shopped", in up-and-coming neighbourhoods. To date we have investments in Brooklyn, New York and Miami, Florida. Our team purchases these properties prudently, and develops them via renovation and/or building construction.

In Europe the investment adviser's team has worked together for over ten years and has a proprietary network of intermediaries to deliver high-quality micro-cap buy-and-build opportunities throughout the continent.

JZCP is a closed-ended investment company trading on the Specialist Fund Market of the London Stock Exchange.

Our Key Investment Principles

1. A disciplined value oriented and value added approach to deliver superior returns on a risk-adjusted basis
2. A focus on high-quality micro-cap businesses in the US and Europe and US real estate bought at reasonable prices in partnership with management
3. A strategy of working with our management partners at each portfolio company to enhance growth through operational focus and strategic acquisitions
4. Work with a proprietary network of intermediaries to find investment opportunities rather than participating in auctions
5. Maintain a diversified portfolio in terms of industry sector, geography and asset class

Performance Highlights

"A steady performance with healthy investment and realisation pipeline."

Results Highlights

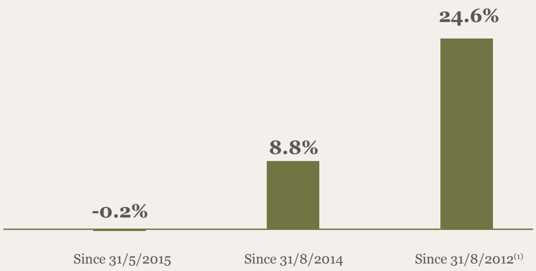
Net Asset Value ("NAV") Per Share and Total Nav Returns

NAV per share at 31 August 2015 decreased to $10.67 (after dividends paid of 17.5 cents) from $10.85 (28 February 2015). Total NAV return for the last 12 months including dividends paid was 8.8%.

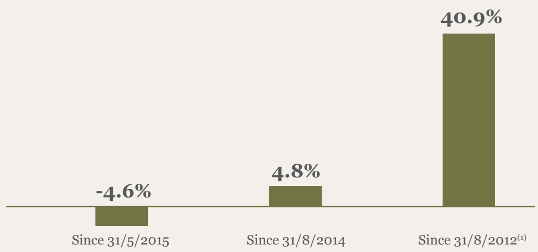
Share Price and Shareholder Returns

The share price at 31 August 2015 increased to £4.34 from £4.09 at 28 February 2015. Total Shareholder return for the last 12 months including dividends paid was 4.8%.

Total NAV Returns



Total Shareholder Returns



NAV to Market Price Discount

	31/8/2015	31/8/2014	31/8/2012	31/8/2010
Discount to NAV at period end	37%	29%	41%	41%

Long Term Performance Record(1)

	3 Year	5 Year	10 Year (2)
Total NAV return in US$	24.6%	62.3%	59.5%(3)
Total Shareholder return in £	40.9%	83.3%	-2.1%

(1) Long term performance returns (3 year, 5 year and 10 year) are calculated on the basis that dividends paid by the Company are reinvested.

(2) 10 year record includes the performance of JZ Equity Partners Plc ("JZEP"). In June 2008, JZCP was launched in a scheme of reconstruction and voluntary winding up of JZEP. JZEP's assets were transferred in specie to JZCP and JZCP issued to shareholders one share for each JZEP share held.

(3) Total NAV returns for the 10 year period are adjusted to compensate for the dilution of shares issued at a discount to NAV (June 2009) to reflect the Company's performance.

Chairman's Statement

"It has been a solid investment period for the Company, putting $124.3 million to work across the three main portfolios – US and European micro-cap and US real estate."

I am pleased to report the results of JZ Capital Partners ("JZCP" or the "Company") for the six-month period ended 31 August 2015.

Market Background

The Company's steady performance over the six months has been set against a stuttering global economic recovery, which began to show signs of life earlier this year. Divergent central bank monetary policy and global growth concerns weigh on investors, whilst volatility appears to be returning to the markets.

The Eurozone continues to show gradual improvement, supported through measures taken by the ECB to boost prices and growth. At the same time, the US Federal Reserve appeared closer to raising interest rates than at any other time since 2006, but chose not to during its September FOMC meeting. Overarching the broader economic environment were geopolitical events which continue to capture headlines and contribute to investor anxiety.

Strategic Initiatives

Within this market environment, the Board undertook a number of measures that will help the Company to continue to grow.

After the period end, we successfully completed an open offer and placing to shareholders that raised approximately £77 million that will provide JZCP with new capital to diversify and grow our portfolio. We also announced the rollover of £41.6 million of our current 8% Zero Dividend Preference shares ("ZDPs") into a longer-dated ZDP with a much lower, 4.75%, gross yield, leaving JZCP with a final liability (including a 1% redemption premium) of £32.9 million of its current 8% ZDPs due in June 2016. As a result, the Company has a lower cost of capital.

Furthermore, our European team raised €237 million in the first round of fundraising for JZI Fund III, L.P. ("Fund III"), the successor fund to the EuroMicrocap Fund 2010, LP ("EMC 2010"). JZCP has committed €75 million to Fund III, which will enable JZCP to continue to expand and diversify its investment portfolio in Western Europe, which has in the last five years become an increasingly important strategic region for JZCP and provided diversification to our US micro-cap portfolio. Finally, JZCP closed a $100 million six-year term loan from Guggenheim Partners, which was partially used to pay down a $50 million one-year loan facility with Jefferies.

These activities follow the recent amendments to the Company's investment policy, which enable the Investment Adviser to take advantage of a wider range of investment opportunities providing the flexibility to adapt as market opportunities warrant.

Portfolio Update

For the six-month period ended 31 August 2015, JZCP's pre-dividend net asset value ("NAV") remained steady at $10.84 per share (FY14 $10.85 per share), as portfolio company valuation increases were offset by fees and expenses and finance costs.

It has been a solid investment period for the Company, putting $124.3 million to work across the three main portfolios – US and European micro-cap and US real estate – whilst realising $29.9 million, primarily through the refinancing of our Healthcare Revenue Cycle Management ("HRCM") vertical with third-party debt and the refinancing of two properties located in Williamsburg, Brooklyn.

The US and European micro-cap strategies continue to be important elements of the Company's investment strategy, whilst US real estate becomes an increasingly significant proportion of the Company's portfolio. The Company's portfolio, 51% of which is less than three years old, continues to become more diversified geographically as we grow our European portfolio.

Chairman's Statement continued

At the end of the period, the Company's portfolio consisted of 61 micro-cap businesses across eight industries and 36 properties located across New York and Miami.

US and European Micro-Cap

The US micro-cap portfolio continues to perform well and further progress has been made with investments and realisations. The portfolio has seen a valuation increase of 31 cents per share, primarily due to increased performance at our ISS vertical and positive performance at several co-investments.

JZCP continues to expand and diversify its investment portfolio in Western Europe. As of 31 August 2015, EMC 2010 had made eight investments in Spain, and one investment each in the UK, Germany, Italy and Denmark, which combined represent 25% of JZCP's investment portfolio. Following the fundraising for Fund III, we look forward to putting more capital to work.

Real Estate

The Board is pleased with the significant progress the Company has made in building a balanced portfolio of retail and residential properties in conjunction with our partner, RedSky Capital. As of 30 September 2015, JZCP had approximately $214 million invested in 37 properties, (one post-period in September 2015), all currently in various stages of development and re-development.

During the period, JZCP invested $52 million to acquire nine properties, reflecting RedSky Capital's ability to originate a healthy pipeline of attractive investment opportunities in both Brooklyn and Miami.

Realisations

There have been four significant realisations generating most of the $29.9 million received during the period. These include a portion of the Company's investment in our HRCM vertical, proceeds following Salter Lab's refinancing and partial repayment of its existing senior subordinated notes, and a dividend from Southern Petroleum Laboratories. JZCP also received proceeds from the refinancing of its two properties located on Driggs Avenue in Brooklyn's Williamsburg neighbourhood.

Distributions

In accordance with our policy to distribute annually an amount equal to 3% of NAV, the Directors have declared an interim dividend of 16 cents per share for the six months ended 31 August 2015, compared to 15 cents for the period ended 31 August 2014. This implies an annualised yield as at 31 August 2015 of 5.0%. The Ordinary shares issued in the Placing and Open Offer will not rank for this interim dividend but will rank for dividends declared hereafter.

Outlook

We are pleased with the hard work that's been completed during the period and are confident that JZCP's NAV will continue to grow over time, providing an attractive long-term return for investors.

The recent placing and open offer and ZDP rollover have strengthened the Company's balance sheet, leaving JZCP better positioned for continued long-term growth and securing its long-term future. We anticipate having significant realisations in the foreseeable future which, with the recent injection of new capital, will provide the resources for the Company to invest in attractive opportunities and build on its long track record of delivering healthy returns for our shareholders.

David Macfarlane
Chairman
27 October 2015

Investment Adviser's Report

"Our diversified portfolio continues to perform well, while the capital we raised should allow us to continue to invest prudently."

David Zalaznick and Jay Jordan

Dear Fellow Shareholders,
The first six months of our fiscal year have been an investment activity period. In addition, the underlying portfolio has performed steadily and we have made significant progress with measures taken to strengthen the balance sheet of the Company.

Post period end, we undertook a number of financings that will provide JZCP with new capital to diversify and grow our portfolio as well as deleverage the Company and lower its cost of capital. Firstly, we undertook a placing and open offer to shareholders that raised approximately a net £77 million via the issuance of 18,888,909 new Ordinary shares. Secondly, we rolled over approximately £41.6 million of our current 8% Zero Dividend Preference ("ZDP") shares into a longer-dated ZDP with a much lower 4.75% gross yield, leaving JZCP with an approximate final liability (including a 1% redemption premium) of £32.9 million of its current 8% ZDPs due in June 2016.

Our European team raised €237 million in the first round of fundraising for JZI Fund III, L.P. ("Fund III"), the successor fund to the EuroMicrocap Fund 2010, L.P. ("EMC 2010"). JZCP has committed €75 million to Fund III, which will enable JZCP to continue to expand and diversify its investment portfolio in Western Europe. In addition, we (David Zalaznick, Jay Jordan and the European management team) committed €25 million to the new fund. In June, JZCP closed a $100 million six year term loan from Guggenheim Partners, which was partially used to pay down the entire Jefferies $50 million one year loan facility.

In the six months ended 31 August 2015, JZCP invested $124.3 million, driven by a healthy pipeline across our real estate and US micro-cap portfolios, while realising $29.9 million, primarily through the refinancing of our Healthcare Revenue Cycle Management vertical with third-party debt and the refinancing of two properties located in Williamsburg, Brooklyn.

In conformance with our dividend policy of distributing 3% of NAV in semi-annual instalments, we paid a second interim dividend of 17.5 cents per share for the year ended 28 February 2015. NAV returns over the six-month period were essentially flat as portfolio company valuation increases were offset by fees, expenses and finance costs.

As of 31 August 2015, our US micro-cap portfolio consisted of 48 businesses across seven industries; excluding two outliers, this portfolio was valued at an approximate average of 7.5x EBITDA, after applying a 25% marketability discount. The average underlying leverage senior to JZCP's position in our US micro-cap portfolio stood at 3.5x EBITDA, evidencing the ability of certain existing and new portfolio companies to support greater leverage. Consistent with our value oriented investment philosophy, over time we have acquired our US micro-cap portfolio at an average 6.5x EBITDA.

Investment Adviser's Report continued

As of 31 August 2015, our European micro-cap portfolio, consisting of eight Spanish companies and one company each based in the UK, Germany, Italy and Denmark, across four industries, was valued at approximately 8.5x EBITDA, after a 25% marketability discount. The European micro-cap portfolio has very low leverage senior to JZCP's position, under 2.0x EBITDA.

As of the same date, our real estate portfolio consisted of 36 properties, nine of which were acquired in the six-month period ended 31 August 2015.

Net Asset Value ("NAV")

For the six-month period ended 31 August 2015, JZCP's pre-dividend NAV was broadly flat: $10.85 per share vs. $10.84 per share. The chart below details the changes in NAV on a per share basis:

NAV per Ordinary share as of 28 February 2015	**$10.85**
Change in NAV due to Capital Gains and Accrued Income	
+ US micro-cap	0.31
+ European micro-cap	0.02
– Real estate	(0.03)
+ Other investments	0.01
Other increases/(decreases) in NAV	
– Finance costs	(0.14)
+ Foreign exchange effect	0.01
– Expenses and taxation	(0.19)
NAV per Ordinary share (before dividends)	**$10.84**
- Dividends paid	(0.175)
NAV per Ordinary share as of 31 August 2015	**$10.67**

The US micro-cap portfolio increased 31 cents, primarily due to an increase in value at our Industrial Services Solutions ("ISS") vertical (8 cents). Also contributing to the positive portfolio performance were increases at several co-investment companies: Justrite Manufacturing, an industrial safety company (8 cents); Southern Petroleum Laboratories, an industry leader in hydrocarbon testing services (7 cents); Suzo-Happ, a manufacturer of parts for the global gaming industry (5 cents); and New Vitality Holdings, a marketer of premium nutritional supplements (5 cents).

Offsetting these uplifts in valuation were decreases in performance at: Accutest, our full service environmental testing laboratory business (4 cents); Vitalyst, our co-investment IT support business (5 cents); Healthcare Products Holdings, our power wheelchair company (4 cents); and Priority Express, our logistics and courier business (4 cents).

The European micro-cap portfolio increased 2 cents, primarily due to write-ups at One World Packaging (2 cents), our niche manufacturer of environmentally friendly packaging, Fidor Bank (4 cents), an online German bank, and Winn (3 cents), a legal claims business in the UK. These increases were offset by write-downs due to decreased performance at security business Ombuds (8 cents) and business process outsourcing company Docout (3 cents).

Finally, expenses at JZCP Realty Fund amounted to 3 cents per share. Increases in value of our real estate properties are based on third-party appraisals received during our valuation periods. No appraisals were received during the six months ended 31 August 2015 (which were not already reflected in the valuation of our properties at 28 February 2015) that materially affected the valuation of any property.

Returns

The chart below summarises the cumulative total NAV returns and total shareholder returns for the most recent three-month, six-month, twelve-month, three-year and five-year period.

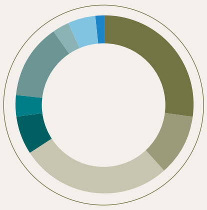
	31/8/2015	Since 31/5/2015	Since 28/2/2015	Since 31/8/2014	Since 31/8/2012	Since 31/8/2010
Share price (in GBP)	**£4.34**	£4.55	£4.09	£4.34	£3.50	£2.94
NAV per share (in USD)	**$10.67**	$10.69	$10.85	$10.11	$9.38	$7.62
Dividends paid (in US cents)	–	–	$0.175	$0.325	$0.920	$1.415
Total shareholders' return*	–	-4.6%	8.9%	4.8%	40.5%	78.0%
Total NAV return*	–	-0.2%	-0.1%	8.8%	23.6%	58.6%
NAV to market price discount	**37.4%**	35.1%	41.7%	28.7%	40.5%	41.2%

* Returns are calculated on the basis that dividends are not reinvested.

Portfolio Summary

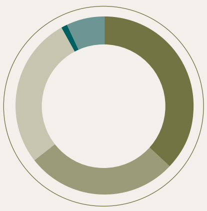
Our portfolio is well diversified across 67 investments across eight industries and 36 properties, and continues to become more diversified geographically as we grow our European portfolio. It is also important to note that 51%[(2)] of our portfolio is less than three years old.

Portfolio by Industry [(1)]



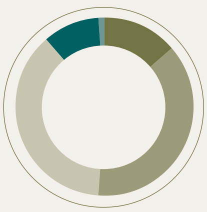
Industrial	27.3%
Service	11.2%
Real estate	27.5%
Healthcare	6.8%
Transportation/logistics	3.9%
Financial services	13.7%
Consumer	3.0%
Telecom	5.0%
Gaming	1.6%

Portfolio by Investment Type [(1)]



US Micro-cap	37.2%
Euro Micro-cap	27.3%
Real estate	27.5%
Listed debt	1.1%
Mezzanine/other	6.9%

Portfolio by Vintage [(2)]



<1 year	13.8%
1-3 years	37.5%
3-5 years	37.5%
5-10 years	10.1%
>10 years	1.1%

(1) Portfolio excludes cash, UK Gilts and Goldman Sachs bonds.
(2) Excludes cash, UK Gilts and Goldman Sachs bonds. Vintage measured by date of initial investment.

Below is a summary of JZCP's assets and liabilities at 31 August 2015 as compared to 28 February 2015. An explanation of the changes in the portfolio follows:

	31/8/2015 US$'000	28/2/2015 US$'000
US micro-cap portfolio	353,530	297,340
European micro-cap portfolio	258,753	245,884
Real estate portfolio	260,915	216,781
Other investments	65,076	66,541
Total Private Investments	**938,274**	**826,546**
Listed corporate bonds	13,458	13,473
Bank debt	10,251	10,452
UK treasury gilts	38,973	39,480
Cash	25,841	101,323
Total Listed Investments and Cash	**88,523**	**164,728**
Other assets	11,680	4,403
Total Assets	**1,038,477**	**995,677**
Zero Dividend Preference shares	110,474	106,813
Convertible Unsecured Loan Stock	67,239	67,563
Loans payable	137,494	90,114
Other payables	29,618	25,677
Total Liabilities	**344,825**	**290,167**
Net Assets	**693,652**	**705,510**

US Micro-Cap Portfolio

We have written this portfolio up by 31 cents, primarily due to increased performance at our ISS vertical and positive performance at several co-investments, including: Justrite Manufacturing, Southern Petroleum Laboratories, Suzo-Happ, and New Vitality Holdings. Offsetting these increases were decreased operating performances of Accutest, Vitalyst, Healthcare Products Holdings, and Priority Express.

New US Investments – Verticals

Industrial Services Solutions ("ISS") Vertical

In March 2015, JZCP's ISS vertical completed the add-on acquisition of Midwest Valve Parts Supply Company ("MVP"), an independent supplier of replacement parts for valves, actuators, and related equipment to valve remanufacturers, as well as direct to end users in a variety of markets. MVP's acquisition required no cash from JZCP.

In July 2015, JZCP's ISS vertical completed the add-on acquisition of Cajun Valve Services ("CVS"), which specialises in all aspects of repairing and reconditioning control valves and associated instrumentation. CVS' acquisition required no cash from JZCP.

In September 2015, JZCP's ISS vertical completed the add-on acquisition of All-Pump & Equipment Co. ("AP&E"), which specialises in pump repair, controls and related equipment for water and wastewater in the municipal, hotel and office building management markets. AP&E's acquisition required no cash from JZCP.

Investment Adviser's Report continued

Healthcare Revenue Cycle Management ("HRCM") Vertical
In June 2015, JZCP's HRCM vertical completed the acquisitions of The Receivables Outsourcing Companies ("ROI") and Avectus Healthcare Solutions ("Avectus"). ROI provides a variety of critical revenue cycle management services to hospital clients and Avectus provides third party insurance liability and workers' compensation billing and recovery services to hospitals and trauma centres. As part of these transactions, JZCP was able to refinance out most of its existing debt from previous HRCM vertical transactions. The combined purchase price for ROI and Avectus was $68 million, which was funded with bank debt and equity from JZCP and Edgewater.

New US Investments – Co-Investments

In April 2015, JZCP invested $4.9 million in Sloan LED, a designer and manufacturer of LED lights and lighting systems for various end-markets and product applications.

Also in April 2015, JZCP invested $22 million in K2 Towers, an acquirer, owner and operator of wireless communication towers throughout the United States and Puerto Rico.

In August 2015, JZCP invested $12.5 million in Jordan Healthcare Products ("JII Healthcare"), a portion of which was used to acquire Global Medical Imaging ("GMI"), a company which sells, repairs and installs new and refurbished medical imaging equipment. JII Healthcare has been established to invest principally in the United States and primarily in buyouts and build-ups of companies in the micro-cap healthcare equipment sales, service and installation arenas.

In September 2015 (post-period), JZCP invested $5.5 million in JII Healthcare to fund the acquisition of DRE, Inc. ("DRE"), a surgical and medical equipment supplier that provides a combination of new and professionally refurbished equipment to medical professionals worldwide.

European Micro-Cap Portfolio

JZCP invests in the European micro-cap sector through its 75% ownership of EMC 2010 and (post-period) its 32% ownership of Fund III, which had its first close in August 2015 at €237 million. As you may recall, EMC 2010 and Fund III have offices in London and Madrid and an outstanding team with over 14 years of investment experience in European micro-cap deals. Fund III will enable JZCP to continue to expand and diversify its investment portfolio in Western Europe; in addition our European team will be able to speak for more capital in each transaction which should produce better opportunities.

As of 31 August 2015, EMC 2010 had made eight investments in Spain, and one investment each in the UK, Germany, Italy and Denmark. Post-period, EMC 2010 transferred three of these 'warehoused' investments to Fund III (Petrocorner, Fincontinuo and S.A.C) and Fund III made its first direct investment, acquiring Collingwood, a niche auto insurer in the UK.

New European Investments

In March 2015, JZCP invested a further €1.1 million in Fidor Bank (through EMC 2010), as part of a larger Tier 1 capital increase from existing Fidor Bank shareholders. With headquarters in Munich, Germany, Fidor combines a social-media banking model with traditional banking services, offering internet-based and mobile-based transactions, supplemented by full service cash management solutions to retail customers. In addition, as of 30 June 2015, Fidor Bank de-listed from the Frankfurt Stock Exchange, which we expect to enhance the mid- to long-term valuation of the company.

Also in March 2015, JZCP invested a total of €7.6 million (€2.8 million in equity through EMC 2010 and €4.8 million directly as mezzanine lender) in S.A.C, an operational (lease and service) van leasing company based south of Copenhagen, Denmark. In September 2015 (post-period), this entire 'warehoused' investment (both JZCP's direct investment and investment made through EMC 2010) was transferred to Fund III.

Additionally in March 2015, JZCP invested a further €3.8 million (through EMC 2010) to capitalise an alternative lending vehicle for Fincontinuo. Fincontinuo is a leading independent lending platform that has been distributing and servicing Cessione del Quinto ("CdQ") loans, a low risk and niche form of consumer lending in Italy since 1997. JZCP is investing in this opportunity alongside Avenue Capital. As a "warehoused" transaction, EMC 2010 transferred its original investments in Fincontinuo to Fund III in October 2015, in conjunction with the first close of Fund III.

In July 2015, JZCP invested a further €1.7 million (through Fund EMC 2010) in Docout, a leading provider of digitalisation, document processing and storage services to financial institutions, utilities, telecoms, insurance companies and large blue chip corporate customers in Spain.

In October 2015 (post-period), JZCP invested £15 million in Collingwood (through Fund III), a niche auto insurer in the UK. Collingwood currently focuses on four products in the UK motor market using a non-automated approach to underwriting, namely: weekly taxi insurance, learner drivers and distressed motor fleet with a growing fourth new line in the younger driver segment.

Real Estate Portfolio

Working with high-quality management teams is at the core of our investment approach and over the past three and a half years, we have assembled a portfolio of retail, office and residential properties in Brooklyn, New York and Miami, Florida in partnership with RedSky Capital, a team with significant experience in this sector. As of 30 September 2015, JZCP had approximately $214 million invested in the real estate portfolio.

The underlying thesis of our real estate portfolio is to acquire off-market properties in neighbourhoods that are beginning to see rental and valuation growth.

Brooklyn continues its renaissance where areas that have been historically industrial, low-income and/or artist communities are beginning to see seismic population changes, fuelled by an influx of young and affluent ex-Manhattan residents in search of more space and a trendier community that embraces a relaxed, artistic and young lifestyle. Our properties are located in the Williamsburg, Downtown Brooklyn, Greenpoint, and Bushwick-Wyckoff Heights neighbourhoods.

We are seeing similar trends and opportunities in the Wynwood and Design District neighbourhoods of Miami, Florida, which each draw strong parallels to the upscale, urban atmosphere of Williamsburg, Brooklyn. We made our first investment in Miami in January 2015, quickly followed by another three acquisitions in late February and March 2015. We believe that rapidly increasing retail rents amid a thriving arts scene are providing very attractive investment opportunities currently in Miami.

During the period, JZCP, together with RedSky, acquired nine properties, reflecting RedSky Capital's ability to originate a healthy pipeline of attractive investment opportunities in both Brooklyn and Miami. Since we began investing with RedSky in April 2012, we have acquired a total of 37 properties (one post-period in September 2015), all currently in various stages of development and re-development.

We have written this portfolio down by 3 cents per share due to expenses related to the portfolio. Increases in value of our real estate properties are based on third-party appraisals received during our valuation periods. No appraisals were received during the six months ended 31 August 2015 (which were not already reflected in the valuation of our properties at 28 February 2015) that materially affected the valuation of any property.

New Real Estate Investments

Brooklyn, New York Acquisitions

In April 2015, JZCP invested $7.0 million to acquire another property on Bedford Avenue in the Williamsburg neighbourhood of Brooklyn.

In June 2015, JZCP invested $0.6 million to acquire another property in the Downtown Brooklyn neighbourhood, an addition to our Downtown Brooklyn portfolio.

In August 2015, JZCP invested $11.2 million to acquire three contiguous buildings in the Downtown Brooklyn neighbourhood, additions to our Downtown Brooklyn portfolio.

Miami, Florida Acquisitions

In March 2015, JZCP Invested A Further $12.5 Million (net) to Close On Two Properties In Miami, Florida, One Each In the City's Adjacent Wynwood and Design District Neighbourhoods.

In June 2015, JZCP Invested $8.8 Million to Acquire A Property In Miami's Design District Neighbourhood, Across the Street From the Two Buildings Previously Acquired In the Design District.

Also In June 2015, JZCP Invested $5.0 Million to Acquire A Property In Miami's Wynwood Neighbourhood, JZCP's Third Acquisition In Wynwood.

In September 2015 (post-period), JZCP Invested $7.6 Million to Acquire Another Property In Miami's Design District Neighbourhood, Adjacent to the Property Acquired In June 2015.

Other Investments

Our recently established asset management business in the US, Spruceview Capital Partners, addresses the growing demand from corporate pensions, endowments, and foundations for fiduciary management services through an Outsourced Chief Investment Officer ("OCIO") model. We launched the first product in July 2014, the Bright Spruce Fund, LP. JZCP invested $50 million in the Bright Spruce Fund, whose investment strategy is capital appreciation in liquid funds while mitigating risk. JZCP is not being charged any fees on this "fund" investment.

As previously reported, Richard Sabo, former Chief Investment Officer of Global Pension and Retirement Plans at JPMorgan and a member of that firm's executive committee, is leading a team of 12 senior investment, business development, legal and operations professionals. We are targeting corporate pensions, university endowments, foundations and family offices and are beginning to gain traction with several accounts. While this is a long-term building process, the business continues to progress in line with expectations. Following shareholder approval in September 2015 (post-period), JZCP increased its commitment to Spruceview by $15 million.

Investment Adviser's Report continued

Listed Investments

We have continued our programme of holding highly rated listed corporate bonds as a means of earning an enhanced return on our cash. Currently, Goldman Sachs is the sole obligor of these bonds, which mature in January 2017. We also continue to hold UK Gilts, with an eye towards the 2016 maturity date of our ZDPs.

Significant Realisations

We had four significant realisations during the period.

US Micro-Cap – Verticals

In June 2015, JZCP realised a portion of its investment in our HRCM vertical, refinancing certain notes, which had been used for the previously purchased businesses, with third-party debt. JZCP invested a net $3.6 million in the context of the refinancing and acquisition of ROI and Avectus (described above).

US Micro-Cap – Co-investments

In March 2015, JZCP received proceeds of $3.4 million from Salter Labs, following Salter Lab's refinancing and partial repayment of its existing senior subordinated notes.

In July 2015, JZCP received a dividend of $1.3 million from Southern Petroleum Laboratories.

Real Estate

In July 2015, JZCP Realty Fund received proceeds of $4.6 million from the refinancing of its two properties located on Driggs Avenue in Brooklyn's Williamsburg neighbourhood.

Escrow Receipts and Other

In the six-month period ended 31 August 2015, JZCP received escrow distributions of $0.6 million and settlement proceeds, from a Mezzanine investment, totalling $2.6 million.

Significant Events and Financings

In June 2015, JZCP closed on a $100 million six-year term loan from Guggenheim Partners. This term loan carries an interest rate of LIBOR plus 5.75% and was partially used to pay down the entire Jefferies $50 million one-year loan facility.

In August 2015, Fund III closed its first round of fundraising at €237 million. JZCP has committed €75 million to Fund III, which will enable JZCP to continue to expand and diversify its investment portfolio in Western Europe.

Post-period, JZCP raised approximately a net £77 million through an issuance of 18,888,909 new Ordinary shares while concurrently rolling over approximately £41.6 million of 8% ZDPs due June 2016 into 4.75% ZDPs due October 2022. The combined effect of these two transactions deleverages the Company's balance sheet, lowers its cost of capital and rebalances its debt maturity profile, better positioning the Company to take advantage of the growing pipeline of investments.

Outlook

We remain committed to pursuing our value-added investment strategy across several asset classes. As always, our objective is to put your (and our) money to work in a diverse portfolio of reasonably priced assets.

We are confident that JZCP's net asset value will continue to grow at a risk-adjusted rate that will be an attractive return for investors. It has been a good first half of the year with the recent placing and open offer and ZDP rollover strengthening the Company's balance sheet; we are developing many attractive opportunities for future investment.

Going forward, we have the prospect of several realisations in the coming year which will provide JZCP with more liquidity on the back of strong investment returns.

Thank you for your confidence in our investment strategy and in particular those who participated in the placing and open offer and ZDP rollover. Please feel free to contact us with any ideas that might be beneficial to JZCP.

Yours faithfully,
Jordan/Zalaznick Advisers, Inc.
27 October 2015

Investment Portfolio

Company	Historical book cost [1] US$'000	Carrying value 31 August 2015 US$'000	Percentage of portfolio %
US Micro-Cap Portfolio			
US Micro-Cap (Verticals)			
Industrial Services Solutions [4]			
INDUSTRIAL SERVICES SOLUTIONS ("ISS") A combination of 18 acquired businesses in the industrial maintenance, repair and service industry. The companies within the vertical at 31 August 2015 are **Penn. Electric Motor, RAM Industrial, AmeriMex, Southern Parts, Gator Compressor, National Compressor, Bay Valve, Madison Smith, Mid-American Machine, Construction & Turnaround Specialists, Parts Services International (ECA), Precision Electric, Integrated Process Technologies, Pro Inspection, M&L Valve/ Lubrication Services, National Inspection and Consultants, Midwest Valve Parts** and **Cajun Valve**	33,174	84,271	8.4
Healthcare Revenue Cycle Management [4]			
BHS HOSPITAL SERVICES Provider of outsourced revenue cycle management solutions to hospitals. BHS Hospital Services, Inc., which owns **Bolder Outreach Services (formerly known as Monti Eligibility & Denial Solutions), Receivables Outsourcing, Inc.** and **Avectus Healthcare Solutions, LLC** is a subsidiary of Bolder Healthcare Solutions, LLC	25,607	21,775	2.2
BHS PHYSICIAN SERVICES Provider of outsourced revenue cycle management solutions to physician groups. BHS Physician Services, Inc., which owns **Bodhi Tree Group** and **PPM Information Solutions, Inc.** is a subsidiary of Bolder Healthcare Solutions, LLC	3,340	7,534	0.8
Sensors Solutions [4]			
NIELSEN-KELLERMAN Designer and manufacturer of weather, wind and timing measurement instruments and devices. Nielsen-Kellerman is a subsidiary of Sensors Solutions Holdings	2,644	6,101	0.6
Testing Services [4]			
ACCUTEST HOLDINGS, INC. Provider of environmental testing laboratories to the US market	33,516	2,300	0.2
ARGUS GROUP HOLDINGS Sells, rents and services safety and testing equipment to a variety of industries. Argus Group Holdings is a subsidiary of Testing Services Holdings	10,679	10,482	1.1
Logistics Solutions [4]			
PRIORITY EXPRESS, LLC Provider of same-day express courier services to various companies located in northeastern USA. Priority Express is a subsidiary of US Logistics, LLC	13,200	9,083	0.9

Investment Portfolio Continued

Company	Historical book cost [1] US$'000	Carrying value 31 August 2015 US$'000	Percentage of portfolio %
Water Services [4]			
TWH INFRASTRUCTURE INDUSTRIES, INC. Environmental infrastructure company that provides technology to facilitate repair of underground pipes and other infrastructure. TWH Infrastructure Industries, Inc., which owns **LMK Enterprises, Perma-Liner Industries** and **APMCS** is a subsidiary of Triwater Holdings	9,826	10,431	1.0
TWH WATER TREATMENT INDUSTRIES, INC. Provider of water treatment supplies and services. TWH Water Treatment Industries, Inc., which owns **Nashville Chemical & Equipment** and **Klenzoid Canada Company/Eldon Water, Inc.**, is a subsidiary of Triwater Holdings	8,543	13,898	1.4
TWH FILTRATION INDUSTRIES, INC. Supplier of parts and filters for point-of-use filtration systems, which owns **Paragon Water Systems**, is a subsidiary of Triwater Holdings	9,361	10,137	1.0
Total US Micro-Cap (Verticals)	**149,890**	**176,012**	**17.6**
US Micro-Cap (Co-investments)			
ILLUMINATION INVESTMENTS, LLC [4] Designer and manufacturer of LED lights and lighting systems	4,920	5,041	0.5
JORDAN HEALTHCARE PRODUCTS, LLC Provider of new and professionally refurbished healthcare equipment	12,500	12,500	1.3
JUSTRITE MANUFACTURING COMPANY [4] Manufacturer of industrial safety products	6,068	19,380	1.9
K2 TOWERS, LLC Acquirer of wireless communication towers	22,000	22,000	2.2
MEDPLAST/UPG HOLDINGS [4] Manufacturer of plastic medical components	17,983	25,159	2.5
NEW VITALITY HOLDINGS, INC. [4] Direct-to-consumer provider of nutritional supplements and personal care products	3,280	3,652	0.4
VITALYST [4] Provider of outsourced IT support and training services	9,020	5,900	0.6
SALTER LABS, INC. [4] Developer and manufacturer of respiratory medical products and equipment for the homecare, hospital, and sleep disorder markets	16,005	12,305	1.2
SOUTHERN PETROLEUM LABORATORIES [4] Provider of petroleum and environmental testing services	3,957	7,568	0.8
TIERPOINT, LLC [4] Provider of cloud computing and co-location data centre services	25,335	25,335	2.5
SUZO-HAPP GROUP [4] Designer, manufacturer and distributor of components for the global gaming, amusement and industrial markets	3,915	15,350	1.5
IGLOO PRODUCTS CORP [4] Designer, manufacturer and marketer of coolers and outdoor products	6,038	6,038	0.6
Total US Micro-Cap (Co-investments)	**131,021**	**160,228**	**16.0**

Company	Historical book cost [1] US$'000	Carrying value 31 August 2015 US$'000	Percentage of portfolio %
US Micro-Cap (Other)			
BOLDER INDUSTRIAL PERFORMANCE SOLUTIONS [4] Acquirer of companies providing mission critical inspection services for a variety of industries	331	372	0.0
HEALTHCARE PRODUCTS HOLDINGS, INC. [3] Designer and manufacturer of motorised vehicles	17,636	9,900	1.0
MODC, LLC [4] Acquirer of speciality retail companies located in the centre of shopping malls	208	243	0.0
NATIONWIDE STUDIOS, INC. Processor of digital photos for pre-schoolers	16,132	6,200	0.6
US SANITATION, LLC [4] Acquirer of janitorial and sanitorial product distributors and related chemical manufacturers and blenders	425	575	0.1
Total US Micro-Cap (Other)	**34,732**	**17,290**	**1.7**
Total US Micro-Cap Portfolio	**315,643**	**353,530**	**35.3**
European Micro-Cap Portfolio			
EUROMICROCAP FUND 2010, LP At 31 August 2015, had invested in 12 companies in the European micro-cap sector: **Factor Energia, Xacom Comunicaciones, Docout, Grupo Ombuds, Oro Direct, One World Packaging, Toro Finance, Winn Group, Fidor Bank, Petrocorner, Fincontinuo** and **S.A.C**.	138,958	210,686	21.0
Direct Investments			
DOCOUT, SL Provider of digitalisation, document processing and storage services	2,777	2,872	0.3
GRUPO OMBUDS Provider of personal security and asset protection	17,155	18,219	1.8
TORO FINANCE Provides short-term receivables finance to the suppliers of major Spanish companies	21,619	18,884	1.9
XACOM COMUNICACIONES SL Supplier of telecom products and technologies.	2,055	2,534	0.3
S.A.C Provider of operational van leasing	5,235	5,558	0.6
Total European Micro-Cap Portfolio	**187,799**	**258,753**	**25.9**
Real Estate			
JZCP REALTY FUND [2] Facilitates JZCP's investment in US real estate	211,714	260,915	26.1
Total Real Estate Investments	**211,714**	**260,915**	**26.1**

Investment Portfolio continued

Company	Historical book cost [1] US$'000	Carrying value 31 August 2015 US$'000	Percentage of portfolio %
Mezzanine Portfolio			
METPAR INDUSTRIES, INC. Manufacturer of restroom partitions	7,754	750	0.1
PETCO ANIMAL SUPPLIES, INC. Retailer of pet food, supplies and services	1,237	1,900	0.2
Total Mezzanine Portfolio	**8,991**	**2,650**	**0.3**
Bank Debt			
DEKKO TECHNOLOGIES, LLC Distributor of electrical sub-components	9,975	10,251	1.0
Total Bank Debt	**9,975**	**10,251**	**1.0**
Other Investments			
BSM ENGENHARIA S.A. Brazilian-based provider of supply chain logistics, infrastructure services and equipment rental	6,115	459	0.0
SPRUCEVIEW CAPITAL, LLC Asset management company focusing primarily on managing smaller endowments and pension funds	12,427	12,427	1.2
BRIGHT SPRUCE FUND, LP Fund investing in marketable equity, fixed income and alternative asset classes	50,000	48,880	4.9
JZ INTERNATIONAL, LLC [3] Fund of European LBO investments	660	660	0.1
Total Other Investments	**69,202**	**62,426**	**6.2**
Listed Investments			
UK Gilts			
UK treasury 2% – maturity 22/1/2016	40,732	38,973	3.9
Corporate Bonds			
Goldman Sachs, 22/3/2016	16,590	13,458	1.3
Total Listed Investments	**57,322**	**52,431**	**5.2**
Total – Portfolio	**860,646**	**1,000,956**	**100.0**

(1) Original book cost incurred by JZEP/JZCP adjusted for subsequent transactions. The book cost represents cash outflows and excludes PIK investments.
(2) JZCP owns 100% of the shares and voting rights of JZCP Realty Fund, Ltd.
(3) Legacy Investments. Legacy investments are excluded from the calculation of capital and income incentive fees.
(4) Co-investment with Fund A, a related party (Note 20).

Unaudited Statement of Comprehensive Income

For the Period from 1 March 2015 to 31 August 2015

		Six month period from 1 March 2015 to 31 August 2015			Six month period from 1 March 2014 to 31 August 2014		
	Notes	Revenue return US$'000	Capital return US$'000	Total US$'000	Revenue return US$'000	Capital return US$'000	Total US$'000
Income							
Net gains on investments at fair value through profit or loss	6	–	**2,357**	**2,357**	–	950	950
Gain/(loss) on financial liabilities at fair value through profit or loss		–	**324**	**324**	–	(6,274)	(6,274)
Net write back of impairments/ (impairments) on loans and receivables	7	–	**2,651**	**2,651**	–	(39)	(39)
Realisations from investments held in escrow accounts	22	–	**644**	**644**	–	6,429	6,429
Net foreign currency exchange gains		–	**455**	**455**	–	647	647
Investment income	8	**14,510**	–	**14,510**	19,809	–	19,809
Bank and deposit interest		**114**	–	**114**	24	–	24
		14,624	**6,431**	**21,055**	19,833	1,713	21,546
Expenses							
Investment adviser's base fee	10	**(7,413)**	–	**(7,413)**	(6,147)	–	(6,147)
Investment adviser's incentive fee	10	–	**(3,072)**	**(3,072)**	–	(5,657)	(5,657)
Administrative expenses		**(1,325)**	–	**(1,325)**	(936)	–	(936)
Directors' remuneration		**(200)**	–	**(200)**	(198)	–	(198)
		(8,938)	**(3,072)**	**(12,010)**	(7,281)	(5,657)	(12,938)
Operating profit/(loss)		**5,686**	**3,359**	**9,045**	12,552	(3,944)	8,608
Finance costs	9	–	**(9,127)**	**(9,127)**	–	(7,178)	(7,178)
Profit/(loss) before taxation		**5,686**	**(5,768)**	**(82)**	12,552	(11,122)	1,430
Withholding taxes	11	**(398)**	–	**(398)**	(93)	–	(93)
Profit/(loss) for the period		**5,288**	**(5,768)**	**(480)**	12,459	(11,122)	1,337
Weighted average number of Ordinary shares in issue during period	21			**65,018,607**			65,018,607
Basic and diluted profit/(loss) per Ordinary share	21	**8.13c**	**(8.87)c**	**(0.74)c**	19.16c	(17.11)c	2.05c

All items in the above statement are derived from continuing operations.
The profit for the period is attributable to the Ordinary shareholders of the Company.
The format of the Income Statement follows the recommendations of the 2014 AIC Statement of Recommended Practice.
The "Total" column of this statement represents the Company's statement of comprehensive income, prepared in accordance with IFRS.
There was no comprehensive income other than the profit for the period.

The accompanying notes form an integral part of the unaudited condensed financial statements.

Statement of Financial Position

As at 31 August 2015

	Notes	**31 August 2015 US$'000 Unaudited**	28 February 2015 US$'000 Audited
Assets			
Investments at fair value through profit or loss	12	**1,000,206**	888,951
Investments classified as loans and receivables	12	**750**	1,000
Cash and cash equivalents		**25,841**	101,323
Other receivables	13	**11,680**	4,403
Total Assets		**1,038,477**	995,677
Liabilities			
Convertible unsecured loan stock	14	**67,239**	67,563
Zero dividend preference shares	15	**110,474**	106,813
Loans payable	16	**137,494**	90,114
Investment adviser's incentive fee		**25,667**	22,595
Investment adviser's base fee		**1,752**	1,451
Other payables	17	**2,199**	1,631
Total Liabilities		**344,825**	290,167
Equity			
Stated capital		**149,269**	149,269
Distributable reserve		**353,528**	353,528
Capital reserve		**109,428**	115,196
Revenue reserve		**81,427**	87,517
Total Equity		**693,652**	705,510
Total Liabilities and Equity		**1,038,477**	995,677
Number of Ordinary shares in issue at period end	18	**65,018,607**	65,018,607
Net Asset Value per Ordinary share		**$10.67**	$10.85

These unaudited condensed financial statements on pages 15 to 36 were approved by the Board of Directors and authorised for issue on 27 October 2015. They were signed on its behalf by:

David Macfarlane
Chairman

Christopher Waldron
Director

The accompanying notes form an integral part of the unaudited condensed financial statements.

Unaudited Statement of Changes In Equity

For the Period from 1 March 2015 to 31 August 2015

	Notes	Stated capital US$'000	Distributable reserve US$'000	Capital reserve Realised US$'000	Capital reserve Unrealised US$'000	Revenue reserve US$'000	Total US$'000
Balance as at 1 March 2015		**149,269**	**353,528**	**104,657**	**10,539**	**87,517**	**705,510**
(Loss)/profit for the period		**–**	**–**	**(388)**	**(5,380)**	**5,288**	**(480)**
Dividends paid	24	**–**	**–**	**–**	**–**	**(11,378)**	**(11,378)**
Balance at 31 August 2015		**149,269**	**353,528**	**104,269**	**5,159**	**81,427**	**693,652**

Comparative for the period from 1 March 2014 to 31 August 2014

	Notes	Stated capital US$'000	Distributable reserve US$'000	Capital reserve Realised US$'000	Capital reserve Unrealised US$'000	Revenue reserve US$'000	Total US$'000
Balance at 1 March 2014		149,269	353,528	85,910	(9,122)	86,871	666,456
Profit/(loss) for the period		–	–	24,119	(35,241)	12,459	1,337
Dividends paid	24	–	–	–	–	(10,403)	(10,403)
Balance at 31 August 2014		149,269	353,528	110,029	(44,363)	88,927	657,390

The accompanying notes form an integral part of the unaudited condensed financial statements.

Unaudited Statement of Cash Flows

For the Period from 1 March 2015 to 31 August 2015

	Notes	**Six month period from 1 March 2015 to 31 August 2015 US$'000**	Six month period from 1 March 2014 to 31 August 2014 US$'000
Operating Activities			
Net cash outflow from operating activities	23	**(13,259)**	(2,811)
Cash outflow for purchase of investments		**(108,518)**	(103,555)
Cash outflow for capital call by the EuroMicrocap fund 2010, LP		**(7,275)**	(29,820)
Cash inflow from repayment and disposal of investments		**19,511**	92,505
Cash inflow from the repayment of loans and receivables		**2,886**	54
Net cash outflow before financing activities		**(106,655)**	(43,627)
Financing Activities			
Proceeds from issue of Convertible Unsecured Loan Stock		**–**	65,687
Proceeds from loan facilities	16	**100,283**	49,000
Loan issue costs paid	16	**(4,033)**	(262)
Repayment of loan facility	16	**(50,201)**	(15,771)
Finance costs paid		**(3,498)**	(1,770)
Dividends paid to shareholders	24	**(11,378)**	(10,403)
Net cash inflow from financing activities		**31,173**	86,481
(Decrease)/increase in cash and cash equivalents		**(75,482)**	42,854
Reconciliation of Net Cash Flow to Movements in Cash and Cash Equivalents			
Cash and cash equivalents at 1 March		**101,323**	11,372
(Decrease)/increase in cash and cash equivalents as above		**(75,482)**	42,854
Cash and cash equivalents at period end		**25,841**	54,226

Reconciliation of cash outflows/inflows from investments and realisations, for the six month period ended 31 August 2015, to the investment reconciliation Note 12 (page 31) and numbers quoted in the Chairman's Statement and Investment Adviser's report.

	US$'000
Cash outflow for purchase of investments	**108,518**
Deposits paid during prior period invested in current period	**3,875**
Purchases in period (Note 12)	**112,393**
Capital calls during period (Note 12)	**7,275**
JZ Realty Fund distribution re-invested at fund level	**4,616**
Total investments in period (pages 3 and 5)	**124,284**

	US$'000
Cash inflow from repayment and disposal of investments	**19,511**
Cash inflow from the repayment of loans and receivables	**2,886**
Proceeds from investments realised (Note 12)	**22,397**
JZ Realty Fund distribution re-invested at fund level	**4,616**
Escrow receipts	**644**
Dividend received from private investment – classified as income in the financial statements	**1,325**
Debt interest received on realisations – classified as income in the financial statements	**870**
Total realisations in period (pages 3 and 5)	**29,852**

The accompanying notes form an integral part of the unaudited condensed financial statements.

Notes to the Financial Statements

1. General Information

JZ Capital Partners Limited (the "Company") is a Guernsey domiciled closed-ended investment company which was incorporated in Guernsey on 14 April 2008 under the Companies (Guernsey) Law, 1994. The Company is now subject to the Companies (Guernsey) Law, 2008. The Company is classed as an authorised fund under the Protection of Investors (Bailiwick of Guernsey) Law 1987. The Company's capital consists of Ordinary shares, Zero Dividend Preference ("ZDP") shares and Convertible Unsecured Loan Stock ("CULS").

The Company's objective is to create a portfolio of investments providing a superior overall return comprised of a current yield and significant capital appreciation.

The Company's Investment Policy is to target predominantly private investments, seeking to back exceptional management teams to deliver on attractive investment propositions. In executing strategy, the Company takes a long-term view. The Company seeks to invest directly in its target investments, although it may also invest through other collective investment vehicles. The Company may also invest in listed investments, whether arising on the listing of its private investments or directly. The Investment Adviser is able to invest globally but with a particular focus on opportunities in the United States and Europe.

The Company is focused on investing in the following areas:

(a) small or micro-cap buyouts in the form of debt and equity and preferred stock;
(a) real estate or real estate linked investments and natural resources investments;
(a) debt opportunities, including mezzanine investments, comprising loans and high-yield securities, and listed bank debt, including both senior secured debt and second lien loans; and
(a) other debt and equity opportunities, including distressed debt and structured and off-balance sheet financings, derivatives and publicly traded securities.

The Investment Adviser takes a dynamic approach to asset allocation and, though it doesn't expect to, in the event that the Company were to invest 100% of gross assets in one area, the Company will, nevertheless, always seek to maintain a broad spread of investment risk. Exposures are monitored and managed by the Investment Adviser under the supervision of the Board.

The Company has no direct employees. For its services the Investment Adviser receives a management fee and is also entitled to performance related fees (Note 10). The Company has no ownership interest in the Investment Adviser. During the period under review the Company was administered by Northern Trust International Fund Administration Services (Guernsey) Limited.

The financial statements are presented in US$'000 except where otherwise indicated.

Going Concern

A fundamental principle of the preparation of financial statements in accordance with IFRS is the assumption that an entity will normally continue in existence as a going concern. The Company has prepared the financial statements on the going concern basis.

At the date of approval of these financial statements the Company had concluded a Placing and Open Offer resulting in the issue of 18,888,909 New Ordinary shares raising £79.2 million (approximately $120 million) before issue costs and the rollover of 11,907,720 existing ZDP shares into new ZDP shares with a 2022 maturity date. The Company has assessed its future working capital requirements, including the redemption of ZDP shares on 22 June 2016 totalling £32.9 million ($50.6 million using 31 August exchange rates), and is confident it can meet its future financial obligations.

Notes to the Financial Statements continued

2. Significant Accounting Policies

The accounting policies adopted in the preparation of these condensed interim financial statements have been consistently applied during the period, unless otherwise stated.

Statement of Compliance

The condensed interim financial statements of the Company for the period 1 March 2015 to 31 August 2015 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted in the European Union, together with applicable legal and regulatory requirements of the Companies (Guernsey) Law, 2008 and the Listing Rules of the London Stock Exchange's Specialist Fund Market. The condensed interim financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the Annual Report and audited financial statements at 28 February 2015.

Basis of Preparation

The condensed interim financial statements have been prepared under the historical cost or amortised cost basis, modified by the revaluation of certain financial instruments designated at fair value through profit or loss upon initial recognition. The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with the accounting policies stated in Note 2 of the annual financial statements for the year ended 28 February 2015. The preparation of condensed interim financial statements in conformity with IAS 34, "Interim Financial Reporting" as adopted in the European Union, requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The following are the key assumptions and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Fair Value of Investments at Fair Value Through Profit or Loss ("FVTPL")

Certain investments are classified as FVTPL, and valued accordingly, as disclosed in Note 2 of the annual financial statements for the year ended 28 February 2015. The key source of estimation uncertainty is on the valuation of unquoted equities and equity-related securities.

In reaching its valuation of the unquoted equities and equity-related securities the key judgements the Board have to make are those relating to the multiples and the discount factors used in the valuation models.

Loans and Receivables

Certain investments are classified as loans and receivables, and valued accordingly, as disclosed in Note 2 of the annual financial statements for the year ended 28 February 2015 as stated in Note 2. The key estimation is the impairment review and the key assumptions are as disclosed in Note 2 of the financial statements for the year ended 28 February 2015.

Investment in Associates

The policies applied in accounting for the Company's associate require significant judgement. Full details are disclosed in Note 2c of the annual financial statements for the year ended 28 February 2015.

Assessment as an Investment Entity

The Board has concluded that the Company meets the definition of an investment entity and, as such, does not consolidate its subsidiaries but rather values them at fair value through profit or loss as described in Note 2d of the annual financial statements for the year ended 28 February 2015.

4. Segment Information

The Investment Manager is responsible for allocating resources available to the Company in accordance with the overall business strategies as set out in the Investment Guidelines of the Company. The Company is organised into the following segments:

- Portfolio of US micro-cap investments
- Portfolio of European micro-cap investments
- Portfolio of Real Estate investments
- Portfolio of Mezzanine investments
- Portfolio of Bank debt
- Portfolio of Listed equities
- Portfolio of Other investments

The investment objective of each segment is to achieve consistent medium-term returns from the investments in each segment while safeguarding capital by investing in a diversified portfolio.

Investment in corporate bonds, money market funds and treasury gilts are not considered part of any individual segment and have therefore been excluded from this segmental analysis.

Segmental Profit/Loss

For the period from 1 March 2015 to 31 August 2015

	US Micro-Cap US$'000	European Micro-Cap US$'000	Real Estate US$'000	Bank debt US$'000	Listed Equities US$'000	Mezzanine Portfolio US$'000	Other investments US$'000	Total US$'000
Interest revenue	**10,245**	**1,838**	**99**	**580**	**–**	**13**	**–**	**12,775**
Dividend revenue	**1,325**	**–**	**–**	**–**	**–**	**–**	**–**	**1,325**
Realisations from investments held in escrow accounts	**644**	**–**	**–**	**–**	**–**	**–**	**–**	**644**
Net gain/(loss) on investments at FVTPL	**8,050**	**(502)**	**(1,943)**	**–**	**–**	**(55)**	**(2,669)**	**2,881**
Write back of impairments on loans and receivables	**–**	**–**	**–**	**–**	**–**	**2,651**	**–**	**2,651**
Investment Adviser's base fee	**(2,372)**	**(1,839)**	**(1,757)**	**(76)**	**–**	**(20)**	**(459)**	**(6,523)**
Investment Adviser's capital incentive fee [1]	**(2,962)**	**(2)**	**389**	**23**	**–**	**(1,159)**	**534**	**(3,177)**
Total segmental operating profit/(loss)	**14,930**	**(505)**	**(3,212)**	**527**	**–**	**1,430**	**(2,594)**	**10,576**

For the period from 1 March 2014 to 31 August 2014

	US Micro-Cap US$'000	European Micro-Cap US$'000	Real Estate US$'000	Bank debt US$'000	Listed Equities US$'000	Mezzanine Portfolio US$'000	Other investments US$'000	Total US$'000
Interest revenue	16,301	1,860	133	674	–	45	–	19,013
Dividend revenue	–	–	–	–	311	–	–	311
Realisations from investments held in escrow accounts	6,429	–	–	–	–	–	–	6,429
Net gain/(loss) on investments at FVTPL	16,235	(5,931)	(550)	–	(7,377)	(740)	557	2,194
Impairments on loans and receivables	–	–	–	–	–	(39)	–	(39)
Investment Adviser's base fee	(2,507)	(1,481)	(865)	(76)	(397)	(20)	(432)	(5,778)
Investment Adviser's capital incentive fee [1]	(6,480)	318	104	–	–	143	(4)	(5,919)
Total segmental operating profit/(loss)	29,978	(5,234)	(1,178)	598	(7,463)	(611)	121	16,211

(1) The capital incentive fee is allocated across segments where a realised or unrealised gain or loss has occurred. Segments with realised or unrealised losses are allocated a credit pro rata to the size of the loss and segments with realised or unrealised gains are allocated a charge pro rata to the size of the gain.

Notes to the Financial Statements continued

4. Segment Information continued

Segmental Net Assets

At 31 August 2015

	US Micro-Cap US$'000	European Micro-Cap US$'000	Real Estate US$'000	Bank debt US$'000	Listed Equities US$'000	Mezzanine Portfolio US$'000	Other investments US$'000	Total US$'000
Investments at fair value through profit or loss	353,530	258,753	260,915	10,251	–	1,900	62,426	947,775
Investments classified as loans and receivables	–	–	–	–	–	750	–	750
Other receivables	–	–	11,625	–	–	–	–	11,625
Payables and accrued expenses	(22,015)	1,101	(10,280)	(17)	(1,004)	1,272	1,250	(29,693)
Total segmental net assets	331,515	259,854	262,260	10,234	(1,004)	3,922	63,676	930,457

At 28 February 2015

	US Micro-Cap US$'000	European Micro-Cap US$'000	Real Estate US$'000	Bank debt US$'000	Listed Investments US$'000	Mezzanine Portfolio US$'000	Other investments US$'000	Total US$'000
Investments at fair value through profit or loss	297,340	245,884	216,781	10,452	–	1,955	63,586	835,998
Investments classified as loans and receivables	–	–	–	–	–	1,000	–	1,000
Other receivables	–	–	4,370	–	–	–	–	4,370
Payables and accrued expenses	(18,508)	1,180	(10,551)	(15)	(1,080)	2,431	728	(25,815)
Total segmental net assets	278,832	247,064	210,600	10,437	(1,080)	5,386	64,314	815,553

Certain income and expenditure is not considered part of the performance of an individual segment. This includes net foreign exchange gains, interest on cash, finance costs, management fees, custodian and administration fees, Directors' fees and other general expenses.

The following table provides a reconciliation between total segmental operating profit and operating profit.

	Period ending 31/8/2015 US$'000	Period ending 31/8/2014 US$'000
Total segmental operating profit	**10,576**	16,211
Net loss on treasury gilts and corporate bonds	**(524)**	(1,244)
Gain/(loss) on financial liabilities at fair value through profit or loss	**324**	(6,274)
Net foreign exchange gains	**455**	647
Interest on treasury notes and corporate bonds	**410**	485
Interest on cash	**114**	24
Fees payable to Investment Adviser based on non-segmental assets	**(785)**	(107)
Expenses not attributable to segments	**(1,525)**	(1,134)
Operating profit	**9,045**	8,608

Other receivables and prepayments are not considered to be part of individual segment assets. Certain liabilities are not considered to be part of the net assets of an individual segment. These include custodian and administration fees payable, Directors' fees payable and other payables and accrued expenses.

The following table provides a reconciliation between total segmental net assets and total net assets.

	31/8/2015 US$'000	28/2/2015 US$'000
Total segmental net assets	**930,457**	815,553
Non segmental assets		
Treasury gilts	**38,973**	39,480
Corporate bonds	**13,458**	13,473
Cash and cash equivalents	**25,841**	101,323
Other receivables and prepayments	**55**	33
Non segmental liabilities		
Zero Dividend Preference shares	**(110,474)**	(106,813)
Convertible Unsecured Loan Stock	**(67,239)**	(67,563)
Loans payable	**(137,494)**	(90,114)
Other payables and accrued expenses	**75**	138
Total non segmental net liabilities	**(236,805)**	(110,043)
Total net assets	**693,652**	705,510

5. Fair Value of Financial Instruments

The Company classifies fair value measurements of its financial instruments at fair value through profit or loss ("FVTPL") using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The financial assets valued at FVTPL are analysed in a fair value hierarchy based on the following levels:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Those involving inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). For example, investments which are valued based on quotes from brokers (intermediary market participants) are generally indicative of Level 2 when the quotes are executable and do not contain any waiver notices indicating that they are not necessarily tradable. Another example would be derivatives such as interest rate swaps or forward currency contracts where inputs are mostly observable and therefore may also fall into Level 2. At the period end, the Company had assessed it held no assets or liabilities valued at FVTPL that were using inputs that would be classified as Level 2 within the valuation method.

Level 3

Those involving inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). Investments in JZCP's portfolio valued using unobservable inputs such as multiples, capitalisation rates, discount rates (see page 26) fall within Level 3.

Differentiating between Level 2 and Level 3 fair value measurements i.e. assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value including consideration of factors specific to the asset or liability.

Notes to the Financial Statements continued

5. Fair Value of Financial Instruments continued

The following tables show financial instruments recognised at fair value at inception, analysed between those whose fair value is based on:

Financial Assets at 31 August 2015

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Listed securities	**52,431**	–	–	**52,431**
Bank debt	–	–	**10,251**	**10,251**
Mezzanine portfolio	–	–	**1,900**	**1,900**
US micro-cap portfolio	–	–	**353,530**	**353,530**
European micro-cap portfolio	–	–	**258,753**	**258,753**
Real estate portfolio	–	–	**260,915**	**260,915**
Other	–	–	**62,426**	**62,426**
	52,431	–	**947,775**	**1,000,206**

Financial Assets at 28 February 2015

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Listed securities	52,953	–	–	52,953
Bank debt	–	–	10,452	10,452
Mezzanine portfolio	–	–	1,955	1,955
US micro-cap portfolio	–	–	297,340	297,340
European micro-cap portfolio	–	–	245,884	245,884
Real estate portfolio [(1)]	–	–	216,781	216,781
Other	–	–	63,586	63,586
	52,953	–	835,998	888,951

Financial Liabilities at 31 August 2015

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Convertible Subordinated Unsecured Loan Stock	**67,239**	–	–	**67,239**
	67,239	–	–	**67,239**

Financial Liabilities at 28 February 2015

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Convertible Subordinated Unsecured Loan Stock	67,563	–	–	67,563
	67,563	–	–	67,563

1 Real estate portfolio value at 28 February 2015 has been reduced by $4,370,000 due to the reclassification, to "Other receivables", of deposits paid on behalf of JZCP Realty and accrued interest due from JZCP Realty.

Transfers between Levels

There were no transfers between the levels of hierarchy of financial assets and liabilities recognised at fair value within the period ended 31 August 2015 and the year ended 28 February 2015.

Valuation Techniques

In valuing investments in accordance with International Financial Reporting Standards, the Directors follow a number of general principles as detailed in the International Private Equity and Venture Capital Association ("IPEVCA") guidelines.

When fair values of listed equity and debt securities at the reporting date are based on quoted market prices or binding dealer price quotations (bid prices for long positions), without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

The fair value of bank debt which is derived from unobservable data is classified as Level 3.

Investments for which there are no active markets are valued according to one of the following methods:

Real Estate
JZCP makes its Real Estate investments through a wholly owned subsidiary, which in turn owns interests in various residential, commercial, and development real estate properties. The net asset value of the subsidiary is used for the measurement of fair value. The underlying fair value of JZCP's Real Estate holdings, however, is represented by the properties themselves.

The Company's Investment Adviser and Board review the fair value methods and measurement of the underlying properties on a quarterly basis. The fair value techniques used in the underlying valuations are:

- Use of third party appraisals on the subject property, where available.
- Use of comparable market values per square foot of properties in recent transactions in the vicinity in which the property is located, and in similar condition, of the relevant property, multiplied by the property's square footage.
- Discounted Cash Flow ("DCF") analysis, using the relevant rental stream, less expenses, for future periods, discounted at a market capitalisation ("MC") rate, or interest rate.
- Relevant rental stream less expenses divided by the market capitalisation rate; this method approximates the enterprise value construct used for non-real estate assets.

For each of the above techniques third party debt is deducted to arrive at fair value.

Due to the inherent uncertainties of real estate valuation, the values reflected in the financial statements may differ significantly from the values that would be determined by negotiation between parties in a sales transaction and those differences could be material.

Mezzanine Loans
Investments are generally valued at amortised cost except where there is deemed to be impairment in value which indicates that a provision should be made. Mezzanine loans are classified in the Statement of Financial Position as loans and receivables and are accounted for at amortised cost using the effective interest method less accumulated impairment allowances in accordance with IFRS.

The Company assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the net present value of expected cash flows discounted at the original effective interest rate.

Unquoted Preferred Shares, Micro-cap Loans, Unquoted Equities and Equity Related Securities
Unquoted preferred shares, micro-cap loans, unquoted equities and equity related securities investments are classified in the Statement of Financial Position as investments at fair value through profit or loss. These investments are typically valued by reference to their enterprise value, which is generally calculated by applying an appropriate multiple to the last 12 months' earnings before interest, tax, depreciation and amortisation ("EBITDA"). In determining the multiple, the Directors consider inter alia, where practical, the multiples used in recent transactions in comparable unquoted companies, previous valuation multiples used and, where appropriate, multiples of comparable publicly traded companies. In accordance with IPEVCA guidelines, a marketability discount is applied which reflects the discount that, in the opinion of the Directors, market participants would apply in a transaction in the investment in question.

Notes to the Financial Statements continued

5. Fair Value of Financial Instruments continued

In respect of unquoted preferred shares and micro-cap loans the Company values these investments by reference to the attributable enterprise value as the exit strategy in respect to these investments would be a one tranche disposal together with the equity component. The fair value of the investment is determined by reference to the attributable enterprise value (this is calculated by a multiple of EBITDA reduced by senior debt and marketability discount) covering the aggregate of the unquoted equity, unquoted preferred shares and debt instruments invested in the underlying company. The increase of the fair value of the aggregate investment is reflected through the unquoted equity component of the investment and a decrease in the fair value is reflected across all financial instruments invested in an underlying company.

Quantitative Information of Significant Unobservable Inputs and Sensitivity Analysis to Significant Changes in Unobservable Inputs Within Level 3 Hierarchy

The significant unobservable inputs used in fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity as at 31 August 2015 and 28 February 2015 are shown below:

	Value 31/8/2015 US$'000	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity used*	Effect on fair value US$'000	
US micro-cap investments	**353,530**	**EBITDA Multiple**	**Average EBITDA Multiple of Peers**	**5.0x–26.4x (8.6x)**	**0.5x/-0.5x**	**(28,208)**	**28,077**
			Discount to Average Multiple	**15%–40% (27%)**	**5%/-5%**	**(34,891)**	**34,596**
European micro-cap investments	**258,753**	**EBITDA Multiple**	**Average EBITDA Multiple of Peers**	**6.9x–12.5x (8.7x)**	**0.5x/-0.5x**	**(9,780)**	**9,780**
	–		**Discount to Average Multiple**	**0%–49% (29%)**	**5.0%/-5.0%**	**(16,070)**	**16,070**
Mezzanine investments	**1,900**	**EBITDA Multiple**	**Average EBITDA Multiple of Peers**	**5.0x–8.0x (6.5x)**	**0.5x/-0.5x**	**(375)**	**375**
	–		**Discount to Average Multiple**	**10%**	**5%/-5%**	**(418)**	**418**
Bank debt	**10,251**	**EBITDA Multiple**	**Average EBITDA Multiple of Peers**	**6.0x**	**0.5x/-0.5x**	**–**	**–**
Real estate [(1)]	**260,915**	**Comparable Sales**	**Market Value Per Square Foot**	**$314–$575 per sq ft**	**-5%/+5%**	**(2,935)**	**8,084**
		DCF Model/ Income Approach	**Discount Rate**	**7%**	**+25bps /-25bps**	**(766)**	**811**
		Cap Rate/ Income Approach	**Capitalisation Rate**	**4.5%–5%**	**+25bps /-25bps**	**(6,103)**	**6,647**
Other investments	**62,426**	**EBITDA Multiple**	**Average EBITDA Multiple of Peers**	**7.5x**	**0.5x/-0.5x**	**–**	**–**
			Discount to Average Multiple	**25%**	**5%/-5%**	**–**	**–**
		Adjusted NAV	**Discount for Lack of Liquidity**	**5%**	**5%/-5%**	**(2,444)**	**2,444**

	Value 28/2/2015 US$'000	Valuation Technique	Unobservable input	Range (weighted average)	Sensitivity used*	Effect on fair value US$'000	
US micro-cap investments	297,340	EBITDA Multiple	Average EBITDA Multiple of Peers	5.0x–11.5x (7.6x)	0.5x/-0.5x	(24,240)	24,384
			Discount to Average Multiple	15%–40% (25%)	5%/-5%	(28,355)	28,414
European micro-cap investments	245,884	EBITDA Multiple	Average EBITDA Multiple of Peers	5.4x–12.5x (8.2x)	0.5x/-0.5x	(9,577)	10,095
			Discount to Average Multiple	0%–44% (25%)	5%/-5%	(13,265)	13,783
Mezzanine investments	1,955	EBITDA Multiple	Average EBITDA Multiple of Peers	5.0x–8.0x (7.0x)	0.5x/-0.5x	(334)	334
			Discount to Average Multiple	10%	5%/-5%	(294)	294
Bank debt	10,452	EBITDA Multiple	Average EBITDA Multiple of Peers	6.0x	0.5x/-0.5x	–	–
Real estate (1)	216,781	Comparable Sales	Market Value Per Square Foot	$314–$575 per sq ft	-5%/+5%	(2,964)	2,895
		DCF Model/ Income Approach	Discount Rate	7%	+25bps /-25bps	(781)	827
		Cap Rate/ Income Approach	Capitalisation Rate	4.5%–5%	+25bps /-25bps	(8,227)	8,954
Other investments	63,586	EBITDA Multiple	Average EBITDA Multiple of Peers	7.5x	0.5x/-0.5x	(301)	301
			Discount to Average Multiple	25%	5%/-5%	(222)	222
		Adjusted NAV	Discount for Lack of Liquidity	5%	5%/-5%	(2,638)	2,931

(1) The fair value of JZCP's investment in financial interests in Real Estate, is measured as JZCP's percentage interest in the value of the underlying properties. The Directors consider the discount rate used, applied to the DCF, when valuing the properties as the most significant unobservable input affecting the measurement of fair value.

* The sensitivity analysis refers to a percentage amount added or deducted from the average input and the effect this has on the fair value.

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

Period Ended 31 August 2015

	US Micro-Cap US$'000	European Micro-Cap US$'000	Bank debt US$'000	Mezzanine US$'000	Real Estate US$'000	Other US$'000	Total US$'000
At 1 March 2015	**297,340**	**245,884**	**10,452**	**1,955**	**216,781**	**63,586**	**835,998**
Purchases	**59,571**	**12,510**	**–**	**–**	**46,077**	**1,510**	**119,668**
PIK adjusted for fair value	**1,957**	**–**	**52**	**–**	**–**	**–**	**2,009**
Proceeds from investments realised	**(19,252)**	**–**	**(259)**	**–**	**–**	**–**	**(19,511)**
Net gains/(losses) on investments	**8,050**	**(502)**	**–**	**(55)**	**(1,943)**	**(2,669)**	**2,881**
Movement in accrued interest	**5,864**	**861**	**6**	**–**	**–**	**(1)**	**6,730**
At 31 August 2015	**353,530**	**258,753**	**10,251**	**1,900**	**260,915**	**62,426**	**947,775**

Notes to the Financial Statements continued

5. Fair Value of Financial Instruments continued

Year Ended 28 February 2015

	US Micro-Cap US$'000	European Micro-Cap US$'000	Bank debt US$'000	Mezzanine US$'000	Real Estate US$'000	Other US$'000	Total US$'000
At 1 March 2014	341,560	186,781	11,810	2,706	109,007	10,587	662,451
Purchases	52,574	48,843	–	–	67,509	57,000	225,926
PIK adjusted for fair value	25,724	–	111	(1)	(51)	–	25,783
Proceeds from investments realised	(144,723)	–	(1,461)	–	(6,125)	(1,497)	(153,806)
Net gains/(losses) on investments	23,669	7,815	–	(750)	46,441	(2,504)	74,671
Movement in accrued interest	(1,464)	2,445	(8)	–	–	–	973
At 28 February 2015	297,340	245,884	10,452	1,955	216,781	63,586	835,998

6. Net Gains on Investments at Fair Value Through Profit or Loss

	Period ended 31/8/2015 US$'000	Period ended 31/8/2014 US$'000
Gains on investments held in investment portfolio at period end		
Net movement in unrealised gains in period	**2,113**	(23,326)
Unrealised gains in prior periods now realised	**72**	36,587
Net movement in unrealised gains in the period	**2,185**	13,261
Gains/(losses) on investments realised in period		
Proceeds from investments realised	**19,511**	92,505
Cost of investments realised	**(19,267)**	(68,229)
Unrealised gains in prior periods now realised	**(72)**	(36,587)
Total gains/(losses) in the period on investments realised in period	**172**	(12,311)
Net gains on investments in the period	**2,357**	950

7. Net Write Back of Impairments/(Impairments) on Loans and Receivables

	Period ended 31/8/2015 US$'000	Period ended 31/8/2014 US$'000
Net unrealised impairments on loans and receivables	**118**	(39)
Proceeds from loans repaid [1]	**2,886**	54
Cost of loans repaid	**(353)**	(54)
	2,533	–
Net write back of impairments/(impairments) on loans and receivables	**2,651**	(39)

(1) Includes proceeds from arbitration of $2,611,000 regarding Mezzanine investment "TransAmerica Auto Parts, Inc". The investment had previously been written off the Company's portfolio during the year ended 28 February 2010.

8. Investment Income

	Period ended 31/8/2015 US$'000	Period ended 31/8/2014 US$'000
Income from investments classified as FVTPL	**14,497**	19,764
Income from investments classified as loans and receivables	**13**	45
	14,510	19,809

Income for the period ended 31 August 2015

			Loan note			
	Dividends US$'000	**Preferred dividends US$'000**	**PIK US$'000**	**Cash US$'000**	**Other interest US$'000**	**Total US$'000**
US micro-cap portfolio	**1,325**	**6,434**	**1,639**	**2,172**	**–**	**11,570**
European micro-cap portfolio	**–**	**–**	**1,838**	**–**	**–**	**1,838**
Mezzanine portfolio	**–**	**–**	**13**	**–**	**–**	**13**
Bank debt	**–**	**–**	**–**	**–**	**580**	**580**
Real estate	**–**	**–**	**–**	**–**	**99**	**99**
Treasury gilts and corporate bonds	**–**	**–**	**–**	**–**	**410**	**410**
	1,325	**6,434**	**3,490**	**2,172**	**1,089**	**14,510**

Income for the period ended 31 August 2014

			Loan note			
	Dividends US$'000	Preferred dividends US$'000	PIK US$'000	Cash US$'000	Other interest US$'000	Total US$'000
US Micro-Cap portfolio	–	8,595	4,715	2,991	–	16,301
European Micro-Cap portfolio	–	–	1,860	–	–	1,860
Mezzanine portfolio	–	–	45	–	–	45
Bank debt	–	–	–	–	674	674
Real estate	–	–	–	–	133	133
Listed investments	311	–	–	–	–	311
Treasury gilts and corporate bonds	–	–	–	–	485	485
	311	8,595	6,620	2,991	1,292	19,809

9. Finance Costs

	Period ended 31/8/2015 US$'000	Period ended 31/8/2014 US$'000
Zero Dividend Preference shares (Note 15)	**4,171**	4,228
CULS interest paid (Note 14)	**1,726**	1,842
Loan – Guggenheim (Note 16)	**1,596**	–
Loan – Guggenheim administration cost	**16**	–
Loan – Jefferies Finance, LLC (Note 16)	**1,431**	966
Loan – Deutsche Bank	**187**	142
	9,127	7,178

10. Fees Payable to the Investment Adviser

Investment Advisory and Performance Fees

The Company entered into the amended and restated investment advisory and management agreement with Jordan/Zalaznick Advisers, Inc. (the "Investment Adviser") on 23 December 2010 (the "Advisory Agreement").

Pursuant to the Advisory Agreement, the Investment Adviser is entitled to a base management fee and to an incentive fee. The base management fee is an amount equal to 1.5% per annum of the average total assets under management of the Company less those assets identified by the Company as being excluded from the base management fee, under the terms of the agreement. The base management fee is payable quarterly in arrears; the agreement provides that payments in advance on account of the base management fee will be made.

Notes to the Financial Statements continued

10. Fees Payable to the Investment Adviser continued

For the six-month period ended 31 August 2015, total investment advisory and management expenses, based on the average total assets of the Company, were included in the Statement of Comprehensive Income of US$7,413,000 (period ended 31 August 2014: US$6,147,000). Of this amount US$1,752,000 (28 February 2015: US$1,451,000) was due and payable at the period end.

The incentive fee has two parts. The first part is calculated by reference to the net investment income of the Company ("income incentive fee") and is payable quarterly in arrears provided that the net investment income for the quarter exceeds 2% of the average of the net asset value of the Company for that quarter (the "hurdle") (8% annualised). The fee is an amount equal to (a) 100% of that proportion of the net investment income for the quarter as exceeds the hurdle, up to an amount equal to a hurdle of 2.5%, and (b) 20% of the net investment income of the Company above a hurdle of 2.5% in any quarter. Investments categorised as legacy investments and other assets identified by the Company as being excluded are excluded from the calculation of the fee. A true-up calculation is also prepared at the end of each financial year to determine if further fees are payable to the Investment Adviser or if any amounts are recoverable from future income incentive fees.

For the periods ended 31 August 2015 and 31 August 2014 there was no income incentive fee.

The second part of the incentive fee is calculated by reference to the net realised capital gains ("capital gains incentive fee") of the Company and is equal to: (a) 20% of the realised capital gains of the Company for each financial year less all realised capital losses of the Company for the year less (b) the aggregate of all previous capital gains incentive fees paid by the Company to the Investment Adviser. The capital gains incentive is payable in arrears within 90 days of the fiscal year end. Investments categorised as legacy investments and assets of the EuroMicrocap Fund 2010, LP are excluded from the calculation of the fee.

For the purpose of calculating incentive fees cumulative preferred dividends received on the disposal of an investment are treated as a capital return rather than a receipt of income.

At 31 August 2015 a capital gains incentive fee based on realised gains during the year ended 28 February 2015 of $13,156,000 remains payable to the Investment Adviser; no further provision for realised gains has been provided for in the six-month period. The Company also provides for a capital gains incentive fee ("CGIF") based on unrealised gains. For the period ended 31 August 2015 a provision of $12,511,000 (28 February 2015: $9,439,000) has been included.

	Provision at 31/8/2015 US$'000	**Provision at 28/2/2015 US$'000**	**Paid in period US$'000**	**Period ended 31/8/2015 US$'000**
CGIF on unrealised investments	**12,511**	**9,439**	**n/a**	**3,072**
CGIF on realised investments	**13,156**	**13,156**	**–**	**–**
				3,072

	Provision at 31/8/2014 US$'000	Provision at 28/2/2014 US$'000	Paid in period US$'000	Period ended 31/8/2014 US$'000
CGIF on unrealised investments	5,766	3,503	n/a	2,263
CGIF on realised investments	3,385	3,115	3,124	3,394
				5,657

The Advisory Agreement may be terminated by the Company or the Investment Adviser upon not less than two and a half years' (i.e. 913 days') prior notice (or such lesser period as may be agreed by the Company and Investment Adviser).

11. Taxation

The Company has been granted Guernsey tax exempt status in accordance with The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (as amended) in exchange for a £1,200 annual fee.

For the period ended 31 August 2015 the Company provided for withholding tax of US$398,000 on a dividend received from an investment within the Company's US micro-cap 'co-investment' portfolio. For the period ended 31 August 2014 a provision for withholding tax of US$93,000 was made on a dividend received from an investment in a listed equity.

12. Investments

Categories of Financial Instruments	Listed 31/8/2015 US$'000	Unlisted 31/8/2015 US$'000	Carrying value 31/8/2015 US$'000
Fair value through profit or loss (FVTPL)	**52,431**	**947,775**	**1,000,206**
Loans and receivables	**–**	**750**	**750**
	52,431	**948,525**	**1,000,956**

	Listed 31/8/2015 US$'000	Unlisted 31/8/2015 US$'000	Total 31/8/2015 US$'000
Book cost at 1 March 2015	**57,321**	**775,225**	**832,546**
Purchases in period	**–**	**112,393**	**112,393**
Capital calls during period	**–**	**7,275**	**7,275**
Payment in kind ("PIK")	**–**	**2,025**	**2,025**
Proceeds from investments realised	**–**	**(22,397)**	**(22,397)**
Net realised gains	**–**	**2,777**	**2,777**
Book cost at 31 August 2015	**57,321**	**877,298**	**934,619**
Unrealised (losses)/gains at 31 August 2015	**(4,975)**	**54,524**	**49,549**
Accrued interest at 31 August 2015	**85**	**16,703**	**16,788**
Carrying value at 31 August 2015	**52,431**	**948,525**	**1,000,956**

Categories of Financial Instruments	Listed 28/2/2015 US$'000	Unlisted 28/2/2015 US$'000	Carrying Value 28/2/2015 US$'000
Fair value through profit or loss (FVTPL)	52,953	835,998	888,951
Loans and receivables	–	1,000	1,000
	52,953	836,998	889,951

	Listed 28/2/2015 US$'000	Unlisted 28/2/2015 US$'000	Total 28/2/2015 US$'000
Book cost at 1 March 2014 (1)	100,380	653,149	753,529
Purchases in period	–	187,706	187,706
Capital calls during year	–	38,220	38,220
Payment in kind ("PIK")	–	25,783	25,783
Proceeds from investments realised	(58,047)	(153,806)	(211,853)
Net realised gains	14,988	24,173	39,161
Book cost at 28 February 2015 (1)	57,321	775,225	832,546
Unrealised (losses)/gains at 28 February 2015	(4,451)	51,769	47,318
Accrued interest at 28 February 2015 (1)	83	10,004	10,087
Carrying value at 28 February 2015 (1)	52,953	836,998	889,951

The above book cost is the cost to JZCP equating to the transfer value as at 1 July 2008 upon the liquidation of JZEP and adjusted for subsequent transactions.

The cost of PIK investments is deemed to be interest not received in cash but settled by the issue of further securities when that interest has been recognised in the Statement of Comprehensive Income.

(1) Comparative book cost/carrying value at 28 February 2015 and 28 February 2014 has been reduced by $3,875,000 and $3,290,000 respectively, due to the reclassification of deposits paid on behalf of JZCP Realty to 'Other Receivables' (Note 12). Accrued interest at 28 February 2015 has been reduced by $495,000 due to the reclassification of interest due from JZCP Realty to 'Other receivables'. Purchases in prior year have also been adjusted to reflect the reclassification of deposits paid.

Notes to the Financial Statements continued

13. Other Receivables

	31/8/2015 US$'000	28/2/2015 US$'000
Deposits paid on behalf of JZCP Realty Fund	**11,130**	3,875
Accrued interest due from JZCP Realty Fund	**495**	495
Other receivables and prepayments	**55**	33
	11,680	4,403

14. Convertible Subordinated Unsecured Loan Stock ("CULS")

On 30 July 2014, JZCP issued £38,861,140 6% CULS. Holders of CULS may convert the whole or part (being an integral multiple of £10 in nominal amount) of their CULS into Ordinary Shares. Conversion rights may be exercised at any time during the period from 30 September 2014 to ten business days prior to the Maturity date being 30 July 2021. The initial conversion price is £6.0373 per Ordinary Share, which shall be subject to adjustment to deal with certain events which would otherwise dilute the conversion of the CULS. These events include consolidation of Ordinary shares, dividend payments made by the Company, issues of shares, rights, share-related securities and other securities by the Company and other events as detailed in the Prospectus.

CULS bear interest on their nominal amount at the rate of 6.00% per annum, payable semi-annually in arrears. During the six-month period ended 31 August 2015: $1,726,000 (31 August 2014: $nil) of interest was paid to holders of CULS and is shown as a finance cost in the Statement of Comprehensive Income.

During the year ended 28 February 2015 the Company incurred costs of $1,367,000 in relation to the issue of the CULS.

	31/8/2015 US$'000	28/2/2015 US$'000
Issue of 3,886,114 CULS of £10 nominal value on 30 July 2014	–	65,696
Fair value of CULS at 1 March	**67,563**	–
Unrealised movement in fair value of CULS	**(324)**	1,867
Fair value of CULS based on offer price	**67,239**	67,563

15. Zero Dividend Preference ("ZDP") Shares

	31/8/2015 US$'000	28/2/2015 US$'000
ZDP shares issued 22 June 2009		
Amortised cost at 1 March	**106,813**	107,201
Finance costs allocated to Statement of Comprehensive Income	**4,171**	8,390
Unrealised currency gain to the Company on translation during the period	**(510)**	(8,778)
Amortised cost at period end	**110,474**	106,813
Total number of ZDP shares in issue	**20,707,141**	20,707,141

ZDP shares were issued on 22 June 2009 at a price of 215.80 pence and are designed to provide a pre-determined final capital entitlement of 369.84 pence on 22 June 2016 which ranks behind the Company's creditors but in priority to the capital entitlements of the Ordinary shares. The ZDP shares carry no entitlement to income and the whole of their return will therefore take the form of capital. The capital appreciation of approximately 8% per annum is calculated monthly. In certain circumstances, ZDP shares carry the right to vote at general meetings of the Company as detailed in the Company's Memorandum of Articles and Incorporation. Issue costs are deducted from the cost of the liability and allocated to the Statement of Comprehensive Income over the life of the ZDP shares.

On 1 October 2015, the Company rolled over 11,907,720 existing ZDP shares into new ZDP shares with a 2022 maturity date. The new ZDP shares have a gross redemption yield of 4.75% and a total redemption value of £57,598,000 (approximately $87,246,000 using the exchange rate on date of rollover). Remaining 8,799,421 existing ZDP shares will be redeemed on 22 June 2016, the total redemption value being £32,870,000. The redemption value of £32,870,000 includes a 1% premium agreed as part of the terms of the rollover, the premium is treated as an issue cost of the 2022 ZDPs and is accounted for accordingly.

16. Loans Payable

	31/8/2015 US$'000	28/2/2015 US$'000
Guggenheim Partners Limited	**97,735**	–
Deutsche Bank	**39,759**	39,960
Jefferies Finance, LLC	**–**	50,154
	137,494	90,114

Guggenheim Partners Limited

On 12 June 2015, JZCP entered into a loan agreement with Guggenheim Partners Limited. The agreement was structured so that part of the proceeds (€18 million) were received and will be repaid in Euros and the remainder of the facility received in US Dollars ($80 million).

The loan matures on 12 June 2021 (six-year term) and interest is payable at 5.75% + LIBOR [(1)]. There is an interest rate floor that stipulates LIBOR will not be lower than 1%. Under IFRS an interest rate floor that is initially in the money meets the criteria of an embedded derivative which is not closely related to the host contract and should therefore be separated from the host loan contract and measured at fair value. However, in this agreement, the presence of the floor does not alter the return to the lender sufficiently to be deemed to be not closely related, therefore separation is not required and the loan is valued at amortised cost using the effective interest rate method.

At 31 August 2015, investments valued at $675,183,000 were held as collateral on the loan. A covenant on the loan states the fair value of the collateral must be 4x the loan value and the cost of collateral must be at least 57.5% of total assets. The Company is also required to hold a minimum cash balance of $15 million plus 50% of interest on any new debt. At 31 August 2015, the Company was in full compliance with covenant terms.

There is an early repayment charge of 2% of the total loan if repaid in year 1 and 1% in year 2.

	31/8/2015 US$'000	28/2/2015 US$'000
Proceeds – 12 June 2015 (US$ drawdown)	**80,000**	–
Proceeds – 12 June 2015 (Euro drawdown €18 million)	**20,283**	–
Issue costs	**(4,033)**	–
Finance costs charged to Statement of Comprehensive Income	**1,596**	–
Unrealised currency gain on translation of Euro drawdown	**(111)**	–
Amortised cost at period/year end	**97,735**	–
Amortised cost (US$ drawdown)	**78,015**	–
Amortised cost (Euro drawdown)	**19,720**	–
	97,735	–

(1) LIBOR rates applied are the US Dollar three-month rate ($80 million) and the Euro three-month rate (€18 million).

Deutsche Bank

At 31 August 2015 and 28 February 2015, JZCP had a loan facility with Deutsche Bank allowing the Company to draw down a total of $52.4 million. As at 31 August 2015 the loan outstanding was $39.8 million and a further $12.6 million was available to draw down. The loan is secured by the Company's investment in corporate bonds and UK gilts, the total value of assets held as collateral at 31 August 2015 was $52.4 million. The interest rate is charged at 30-day LIBOR + 75 basis points. The repayment terms of the loan facility are dependant on the investments held as security.

Jefferies Finance, LLC

On 16 June 2014, JZCP entered into a $50.0 million loan agreement with Jefferies Finance, LLC. Proceeds of $49.0 million were received after deduction of a 2% original issue discount. Loan interest was payable at 7%, after allowing for transaction costs and the initial discount the effective interest rate applied was 9.8%. The loan was repaid on 12 June 2015.

Notes to the Financial Statements continued

16. Loans Payable continued

	31/8/2015 US$'000	28/2/2015 US$'000
Proceeds – 16 June 2014	–	49,000
Amortised cost at 1 March	**50,154**	–
Issue costs	–	(295)
Finance costs charged to Statement of Comprehensive Income	**1,431**	3,374
Interest paid	**(1,585)**	(1,925)
Repaid – 12 June 2015	**(50,000)**	–
	–	50,154

The carrying value of the loans approximates to fair value and would be designated as Level 3 in the fair value hierarchy.

17. Other Payables

	31/8/2015 US$'000	28/2/2015 US$'000
Provision For Tax On Dividends Received Not Withheld at Source	**1,401**	1,004
Loan Issue Costs	**225**	–
Legal Fees	**250**	250
Directors' Remuneration	**66**	63
Other Expenses	**257**	314
	2,199	1,631

18. Stated Capital

Authorised Capital

Unlimited number of Ordinary shares of no par value.

Ordinary shares – Issued Capital

	31/8/2015 Number of shares	28/2/2015 Number of shares
Total Ordinary shares in issue	**65,018,607**	65,018,607

The Company's shares trade on the London Stock Exchange's Specialist Fund Market. The Company's shares were also quoted on the Channel Islands Securities Exchange (listing was cancelled from 22 December 2014).

19. Commitments

At 31 August 2015 and 28 February 2015 JZCP Had the Following Financial Commitments Outstanding In Relation to Fund Investments:

	31/8/2015 US$'000	28/2/2015 US$'000
JZI Fund III, LP (1)	**83,719**	–
EuroMicrocap Fund 2010, LP	–	7,067
Spruceview Capital, LLC (2)	**2,573**	4,083
Suzo-Happ Group	**4,491**	4,491
BSM Engenharia S.A.	**2,085**	2,085
Igloo Products Corp	**773**	773
	93,641	18,499

(1) During August 2015 the Company committed €75 million to JZI Fund III, LP ("Fund III"). Fund III is the successor fund to the EuroMicrocap Fund 2010, LP.
(2) During September 2015 the Company committed a further $15 million to Spruceview Capital LLC.

20. Related Party Transactions

JZCP invests in European micro-cap companies via the EuroMicrocap Fund 2010 LP ("EMC 2010"). EMC 2010 is managed by JZ International Limited ("JZI"), an affiliate of JZAI, JZCP's investment manager. JZAI and JZI were each founded by David Zalaznick and Jay Jordan. At 31 August 2015, JZCP's investment in EMC 2010 was valued at $210,686,000 (28 February 2015: $204,019,000).

JZCP has co-invested with Fund A, Fund A Parallel I and II Limited Partnerships in a number of US micro-cap buyouts. These Limited Partnerships are managed by JZAI. JZCP invests in a ratio of 82% with the Fund A entities investing the remaining 18%. At 31 August 2015, the total value of JZCP's investment in these co-investments was $303,389,000 (28 February 2015: $280,635,000).

Jordan/Zalaznick Advisers, Inc. ("JZAI"), a US based company, provides advisory services to the Board of Directors of the Company in exchange for management fees, paid quarterly. Fees paid by the Company to the Investment Adviser are detailed in Note 10.

During June 2015, the Company received shareholder approval to invest up to $75 million in "New JI Platform Companies". The platform companies are being established to invest primarily in buyouts and build-ups of companies and in growth company platforms in the US micro-cap market. These platform companies will be managed by JZAI. At 31 August 2015, JZCP had invested $12.5 million in Jordan Healthcare Products, LLC.

During September 2015, the Company committed €75 million to JZI Fund III, LP ("Fund III"). Fund III is the successor fund to the EuroMicrocap Fund 2010, LP and is managed by JZ International LLC ("JZI"), an affiliate of JZAI, JZCP's investment manager. JZAI and JZI were each founded by David Zalaznick and Jay Jordan.

During the period ended 31 August 2015, the Company retained Ashurst LLP, a UK based law firm. David Macfarlane was a former Senior Corporate Partner at Ashurst until 2002.

21. Basic and Diluted Earnings per Share

Basic and diluted earnings per share are calculated by dividing the earnings for the period by the weighted average number of Ordinary shares outstanding during the period.

For the periods ended 31 August 2015 and 31 August 2014 the weighted average number of Ordinary shares outstanding during the year was 65,018,607.

The effect of the issue of the CULS was anti-dilutive to the total earnings per share, therefore a diluted earnings per share is not presented for the period.

Potentially the earnings per share will be diluted by the weighted average number of Ordinary shares including an additional 6,436,841 of Ordinary shares that could be converted and earnings being increased/reduced by gains/losses on financial liabilities at fair value through profit or loss and finance costs relating to the CULS.

22. Contingent Assets

Amounts Held in Escrow Accounts

Investments have been disposed by the Company, of which the consideration given included contractual terms requiring that a percentage was held in an escrow account pending resolution of any indemnifiable claims that may arise. At 31 August 2015 and 28 February 2015 the Company has assessed that the likelihood of the recovery of these escrow accounts cannot be determined and has therefore recognised the escrow accounts as a contingent asset.

As at 31 August 2015 and 28 February 2015, the Company had the following contingent assets held in escrow accounts which had not been recognised as assets of the Company:

	Amount in escrow	
Company	**31/8/2015 US$'000**	28/2/2015 US$'000
Dental Holdings Corporation	**2,809**	2,809
Galson Laboratories	**1,067**	1,213
Amptek, Inc.	**1,386**	1,386
ETX Holdings, Inc.	**126**	157
H&S (BG Holdings)	**10**	10
	5,398	5,575

During the period ended 31 August 2015, $644,000 (31 August 2014: $6,429,000) was realised relating to the escrow accounts of the Company. Of the $644,000 realised during the period, $467,000 had not been recognised in the Company's escrow accounts at 28 February 2015.

Notes to the Financial Statements continued

23. Notes to the Cash Flow Statement

Reconciliation of the (loss)/profit for the period to net cash from operating activities

	Period ended 31/8/2015 US$'000	Period ended 31/8/2014 US$'000
(Loss)/profit for the period	**(480)**	1,337
Increase/(decrease) in other receivables	**(22)**	428
Increase/(decrease) in other payables	**552**	(554)
Increase in amount owed to Investment Adviser	**3,373**	77
Payment for Real Estate deposits	**(11,130)**	(1,138)
Net movement in unrealised gains on investments	**(2,231)**	23,365
Adjustment for net unrealised foreign currency exchange gain/(loss)	**(621)**	(1,024)
Unrealised (profit)/loss on CULS valued at fair value	**(324)**	6,274
Realised gain on investments	**(2,777)**	(24,276)
Increase in accrued interest on investments and adjustment for interest received as PIK	**(8,726)**	(14,478)
Finance costs	**9,127**	7,178
Net cash outflow from operating activities	**(13,259)**	(2,811)

24. Dividends Paid and Proposed

In accordance with the dividend policy, the Company will distribute approximately 3% of the Company's net assets in the form of dividends paid in US Dollars (shareholders can elect to receive dividends in Sterling), in semi-annual instalments.

An interim dividend of 16 cents per Ordinary share (total $10,403,000) was declared by the Board on 27 October 2015.

For the year ended 28 February 2015, an interim dividend of 15 cents per Ordinary share (total $9,753,000) was paid on 28 November 2014 and a second interim dividend of 17.5 cents per Ordinary share (total $11,378,000) was paid on 12 June 2015.

For the year ended 28 February 2014, a second interim dividend of 16.0 cents per Ordinary share (total $10,403,000) was paid on 6 June 2014.

25. Subsequent Events

These financial statements were approved by the Board on 27 October 2015. Subsequent events have been evaluated until this date.

On 29 September 2015, the Company concluded a Placing and Open Offer resulting in the issue of 18,888,909 new Ordinary shares, raising £79.2 million ($119.9 million) before issue costs.

On 1 October 2015, the Company rolled over 11,907,720 existing ZDP shares into new ZDP shares with a 2022 maturity date. New ZDP shares have a gross redemption yield of 4.75% and a total redemption value of £57.6 million (approximately $87.2 million using exchange rate on date of rollover). The remaining 8,799,421 existing ZDP shares will be redeemed on 22 June 2016, the total redemption value being £32.9 million (including a 1% premium agreed as part of the terms of the rollover).

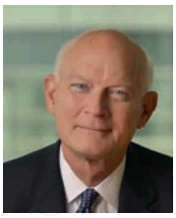
Board of Directors

David Macfarlane (Chairman) [1]

Mr Macfarlane was appointed to the Board of JZCP in April 2008 as Chairman and a non-executive Director. Until 2002 he was a Senior Corporate Partner at Ashurst. He was a non-executive director of the Platinum Investment Trust Plc from 2002 until January 2007. He is also chairman of Rex Bionics plc.

Patrick Firth [2]

Mr Firth was appointed to the Board of JZCP in April 2008. He is also a director of a number of offshore funds and management companies, including DW Catalyst Fund (formerly "BH Credit Catalysts Limited"), ICG-Longbow Senior Secured UK Property Debt Investments Limited, Riverstone Energy Limited and Next Energy Solar Fund Limited. He is Chairman of GLI Finance Limited. He is a member of the Institute of Chartered Accountants in England and Wales and The Chartered Institute for Securities and Investment. He is a resident of Guernsey.



James Jordan

Mr Jordan is a private investor who was appointed to the Board of JZCP in 2008. He is a director of the First Eagle family of mutual funds, and of Alpha Andromeda Investment Trust Company, S.A.. Until 30 June 2005, he was the managing director of Arnhold and S. Bleichroeder Advisers, LLC, a privately owned investment bank and asset management firm; and until 25 July 2013, he was a non-executive director of Leucadia National Corporation. He is a Trustee and Vice Chairman of the World Monuments Fund, and serves on the Chairman's Council of Conservation International.

Tanja Tibaldi

Ms Tibaldi was appointed to the Board of JZCP in April 2008. She was on the board of JZ Equity Partners Plc from January 2005 until the company's liquidation on 1 July 2008. She was managing director at Fairway Investment Partners, a Swiss asset management company where she was responsible for the Group's marketing and co-managed two fund of funds. Previously she was an executive at the Swiss Stock Exchange and currently serves on the board of several private companies.

Christopher Waldron

Mr Waldron was appointed to the Board of JZCP in October 2013. He is a director of a number of Guernsey funds and investment companies including GBD Limited, Multi Manager Investment Programmes PCC Limited, DW Catalyst Fund (formerly "BH Credit Catalysts Limited") and Ranger Direct Lending Fund plc. An experienced investment manager, he was Chief Executive Officer of the Edmond de Rothschild companies in Guernsey until January 2013 and he remains a consultant to the Edmond de Rothschild Group. He is a Fellow of the Chartered Institute for Securities and Investment and a Guernsey resident.

(1) Chairman of the Nominations Committee of which all Directors are members.
(2) Chairman of the Audit Committee of which all Directors are members.

Directors' Responsibilities

Statement of Directors' Responsibilities

The Directors are responsible for preparing Condensed Interim Financial Statements which give a true and fair view of the state of affairs of the Company for that period and which are in accordance with applicable laws and interim financial reporting standards. In preparing those Condensed Interim Financial Statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- present information including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- provide additional disclosures when compliance with the specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance.

The Directors confirm that they have complied with these requirements in preparing the Financial Statements.

The Condensed Interim Consolidated Financial Statements have been prepared in accordance with IAS 34,"Interim Financial Reporting" as adopted by the European Union.

Each of the Directors confirms to the best of each person's knowledge and belief that:

- this set of Condensed Interim Financial Statements has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union;
  - the Condensed Interim Report and Financial Statements includes information detailed in the Chairman's Statement and Investment Adviser's Report and Notes to the Condensed Interim Financial Statements which provides a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred for the period from 1 March 2015 to 31 August 2015 and their impact on the condensed set of interim consolidated financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the period from 1 March 2015 to 31 August 2015 and that have materially affected the financial position or performance of the Company during that period.

Going Concern and Principal Risks and Uncertainties

As an investment fund, the Company's principal risks are those that are associated with its investment portfolio. Given the nature of the portfolio, the principal risks are associated with the financial and operating performance of the underlying investments, along with market risk associated with related publicly listed equities.

The Directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report and accounts for the year ended 28 February 2015 (as explained within Note 23 on pages 69–76 of the annual report). The Directors continue to monitor the risks to the Company. These risks include the Company's exposure to Euro and Sterling currencies and the impact of austerity measures being adopted in countries within which the Company invests.

The Directors consider the Company has adequate financial resources, in view of its holding in cash and cash equivalents and liquid investments, and the income streams deriving from its investments and believe that the Company is well placed to manage its business risks successfully to continue in operational existence for the foreseeable future and that it is appropriate to prepare the financial statements on the going concern basis.

Approved by the Board of Directors and agreed on behalf of the Board on 27 October 2015.

David Macfarlane	*Christopher Waldron*
Chairman	Director

Independent Review Report to JZ Capital Partners Limited

Introduction

We have been engaged by the Company to review the condensed interim financial statements in the interim financial report for the six months ended 31 August 2015 which comprise the unaudited statement of comprehensive income, statement of financial position, the unaudited statement of changes in equity, the unaudited statement of cash flows and the related Notes 1 to 25. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed interim financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The interim financial report of the Company for the period 1 March 2015 to 31 August 2015 is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The condensed interim financial statements included in the interim financial report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed interim financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements in the interim financial report for the six month period ended 31 August 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Guernsey
Channel Islands
27 October 2015

Notes
1. The Financial Statements are published on websites maintained by the Investment Adviser.
2. The maintenance and integrity of these websites are the responsibility of the Investment Adviser; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.
3. Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Company Advisers

Investment Adviser
The Investment Adviser to JZ Capital Partners Limited ("JZCP") is Jordan/Zalaznick Advisers, Inc., ("JZAI") a company beneficially owned by John (Jay) W Jordan II and David W Zalaznick. The company was formed for the purpose of advising the Board of JZCP on investments in leveraged securities, primarily related to private equity transactions. JZAI has offices in New York and Chicago.

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(Also provides custodian services to JZ Capital Partners Limited under the terms of a Custody Agreement.)

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Useful Information for Shareholders

Listing
JZCP Ordinary, Zero Dividend Preference shares and Convertible Loan Stock are listed on the Official List of the Financial Services Authority of the UK, and are admitted to trading on the London Stock Exchange Specialist fund market for listed securities. The ticker symbols are “JZCP”, “JZCN” and “JZCC” respectively.

The prices of the Ordinary and Zero Dividend Preference shares are shown in the Financial Times under “Investment Companies – Ordinary Income Shares” and “Investment Companies – Zero Dividend Preference shares” as “JZ Capital” respectively.

Non-Mainstream Pooled Investments
From 1 January 2014, the FCA rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes came into effect. JZCP’s Ordinary shares qualify as an “excluded security” under these rules and will therefore be excluded from the FCA’s restrictions which apply to non-mainstream investment products. The shares of JZ Capital Partners qualify as “excluded securities” under these new rules. Therefore shares issued by JZ Capital Partners can continue to be recommended by financial advisers as an investment for UK retail investors.

Financial Diary
Results for the year ended 28 February 2016	May 2016
Annual General Meeting	June/July 2016 (date to be confirmed)
Interim report for the six months ended 31 August 2016	October 2016

JZCP will be issuing an Interim Management Statement for the quarters ending 30 November 2015 and 31 May 2016. These statements will be sent to the market via RNS within six weeks from the end of the appropriate quarter, and will be posted on JZCP’s website at the same time, or soon thereafter.

Payment of Dividends
Cash dividends will be sent by cheque to the first-named shareholder on the register of members at their registered address, together with a tax voucher. At shareholders’ request, where they have elected to receive dividend proceeds in GBP Sterling, the dividend may instead be paid direct into the shareholder’s bank account through the Bankers’ Automated Clearing System. Payments will be paid in US Dollars unless the shareholder elects to receive the dividend in Sterling. Existing elections can be changed by contacting the Company’s Transfer and Paying Agent, Equiniti Limited, on +44 (0) 121 415 7047.

Share Dealing
Investors wishing to buy or sell shares in the Company may do so through a stockbroker. Most banks also offer this service.

Internet Address
The Company: www.jzcp.com

Foreign Account Tax Compliance Act
The Company is registered (with a Global Intermediary Identification Number CAVBUD.999999.SL.831) under The Foreign Account Tax Compliance Act (“FATCA”).

ISIN/SEDOL Numbers
The ISIN code/SEDOL (Stock Exchange Daily Official List) numbers of the Company’s Ordinary shares are GG00B403HK58/B403HK5, the numbers of the Zero Dividend Preference shares are GG00B40B7X85/B40D7X8 and the numbers or the Convertible Unsecured Loan Stock are GG00BP46PR08/BP46PR0.

Share Register Enquiries
The Company’s UK Transfer and Paying Agent, Equiniti Limited, maintains the share registers. In event of queries regarding your holding, please contact the Registrar on 0871 384 2265; calls to this number cost 8p per minute from a BT landline, other providers’ costs may vary. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday. If calling from overseas +44 (0) 121 415 7047 or access their website at www.equiniti.com. Changes of name or address must be notified in writing to the Transfer and Paying Agent.

Useful Information for Shareholders continued

Nominee Share Code
Where Notification Has Been Provided In Advance, the Company Will Arrange For Copies of Shareholder Communications to Be Provided to the Operators of Nominee Accounts. Nominee Investors May attend General Meetings and Speak at Meetings When Invited to Do So by the Chairman.

Documents Available for Inspection
The following documents will be available at the registered office of the Company during usual business hours on any weekday until the date of the Annual General Meeting and at the place of the meeting for a period of 15 minutes prior to and during the meeting:

(a) the Register of Directors' Interests in the stated capital of the Company;
(b) the Articles of Incorporation of the Company; and
(c) the terms of appointment of the Directors.

Warning to Shareholders – Boiler Room Scams
In recent years, many companies have become aware that their shareholders have been targeted by unauthorised overseas-based brokers selling what turn out to be non-existent or high-risk shares, or expressing a wish to buy their shares. If you are offered, for example, unsolicited investment advice, discounted JZCP shares or a premium price for the JZCP shares you own, you should take these steps before handing over any money:

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the FCA before getting involved by visiting http://www.fca.org.uk/firms/systems-reporting/register
- Report the matter to the FCA by calling 0800 111 6768
- If the calls persist, hang up
- More detailed information on this can be found on the Money Advice Service website www.moneyadviceservice.org.uk

US Investors
General
The Company's Articles contain provisions allowing the Directors to decline to register a person as a holder of any class of Ordinary shares or other securities of the Company or to require the transfer of those securities (including by way of a disposal effected by the Company itself) if they believe that the person:

(a) is a "US person" (as defined in Regulation S under the US Securities Act of 1933, as amended) and not a "qualified purchaser" (as defined in the US Investment Company Act of 1940, as amended);
(a) is a "Benefit Plan Investor" (as described under "Prohibition on Benefit Plan Investors and Restrictions on Non-ERISA Plan" below); or
(a) is, or is related to, a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust and that ownership of any class of Ordinary shares or any other equity securities of the Company by the person would materially increase the risk that the Company could be or become a "controlled foreign corporation" (as described under "US Tax Matters" below").

In addition, the Directors may require any holder of any class of Ordinary shares or other securities of the Company to show to their satisfaction whether or not the holder is a person described in paragraphs (a), (b) or (c) above.

US Securities Laws
The Company (a) is not subject to the reporting requirements of the US Securities Exchange Act of 1934, as amended (the "Exchange Act") and does not intend to become subject to such reporting requirements and (b) is not registered as an investment company under the US Investment Company Act of 1940, as amended (the "1940 Act"), and investors in the Company are not subject to the protections provided by the 1940 Act.

Prohibition on Benefit Plan Investors and Restrictions on Non-ERISA Plans
Investment in the Company by "Benefit Plan Investors" is prohibited so that the assets of the Company will not be deemed to constitute "plan assets" of a "Benefit Plan Investor". The term "Benefit Plan Investor" shall have the meaning contained in Section 3(42) of the US Employee Retirement Income Security Act of 1974, as amended

(“ERISA”), and includes (a) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA; (b) a “plan” described in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the “Code”), that is subject to Section 4975 of the Code; and (c) an entity whose underlying assets include “plan assets” by reason of an employee benefit plan’s or a plan’s investment in such entity.

For purposes of the foregoing, a “Benefit Plan Investor” does not include a governmental plan (as defined in Section 3(32) of ERISA), a non-US plan (as defined in Section 4(b)(4) of ERISA) or a church plan (as defined in Section 3(33) of ERISA) that has not elected to be subject to ERISA.

Each purchaser and subsequent transferee of any class of Ordinary shares (or any other class of equity interest in the Company) will be required to represent, warrant and covenant, or will be deemed to have represented, warranted and covenanted that it is not, and is not acting on behalf of or with the assets of a, Benefit Plan Investor to acquire such Ordinary shares (or any other class of equity interest in the Company).

Under the Articles, the Directors have the power to require the sale or transfer of the Company’s securities in order to avoid the assets of the Company being treated as “plan assets” for the purposes of ERISA.

The fiduciary provisions of pension codes applicable to governmental plans, non-US plans or other employee benefit plans or retirement arrangements that are not subject to ERISA (collectively, “Non-ERISA Plans”) may impose limitations on investment in the Company. Fiduciaries of Non-ERISA Plans, in consultation with their advisers, should consider, to the extent applicable, the impact of such fiduciary rules and regulations on an investment in the Company. Among other considerations, the fiduciary of a Non-ERISA Plan should take into account the composition of the Non-ERISA Plan’s portfolio with respect to diversification; the cash flow needs of the Non-ERISA Plan and the effects thereon of the illiquidity of the investment; the economic terms of the Non- ERISA Plan’s investment in the Company; the Non-ERISA Plan’s funding objectives; the tax effects of the investment and the tax and other risks associated with the investment; the fact that the investors in the Company are expected to consist of a diverse group of investors (including taxable, tax-exempt, domestic and foreign entities) and the fact that the management of the Company will not take the particular objectives of any investors or class of investors into account.

Non-ERISA Plan fiduciaries should also take into account the fact that, while the Company’s Board of Directors and its Investment Adviser will have certain general fiduciary duties to the Company, the Board and the Investment Adviser will not have any direct fiduciary relationship with or duty to any investor, either with respect to its investment in shares or with respect to the management and investment of the assets of the Company. Similarly, it is intended that the assets of the Company will not be considered plan assets of any Non-ERISA Plan or be subject to any fiduciary or investment restrictions that may exist under pension codes specifically applicable to such Non-ERISA Plans. Each Non-ERISA Plan will be required to acknowledge and agree in connection with its investment in any securities to the foregoing status of the Company, the Board and the Investment Adviser that there is no rule, regulation or requirement applicable to such investor that is inconsistent with the foregoing description of the Company, the Board and the Investment Adviser.

Each purchaser or transferee that is a Non-ERISA Plan will be deemed to have represented, warranted and covenanted as follows:

(a) The Non-ERISA Plan is not a Benefit Plan Investor;
(b) The decision to commit assets of the Non-ERISA Plan for investment in the Company was made by fiduciaries independent of the Company, the Board, the Investment Adviser and any of their respective agents, representatives or affiliates, which fiduciaries (i) are duly authorised to make such investment decision and have not relied on any advice or recommendations of the Company, the Board, the Investment Adviser or any of their respective agents, representatives or affiliates and (ii) in consultation with their advisers, have carefully considered the impact of any applicable federal, state or local law on an investment in the Company;
(c) None of the Company, the Board, the Investment Adviser or any of their respective agents, representatives or affiliates has exercised any discretionary authority or control with respect to the Non-ERISA Plan’s investment in the Company, nor has the Company, the Board, the Investment Adviser or any of their respective agents, representatives or affiliates rendered individualised investment advice to the Non-ERISA Plan based upon the Non-ERISA Plan’s investment policies or strategies, overall portfolio composition or diversification with respect to its commitment to invest in the Company and the investment programme thereunder; and

Useful Information for Shareholders continued

(d) It acknowledges and agrees that it is intended that the Company will not hold plan assets of the Non-ERISA Plan and that none of the Company, the Board, the Investment Adviser or any of their respective agents, representatives or affiliates will be acting as a fiduciary to the Non-ERISA Plan under any applicable federal, state or local law governing the Non-ERISA Plan, with respect to either (i) the Non-ERISA Plan's purchase or retention of its investment in the Company or (ii) the management or operation of the business or assets of the Company. It also confirms that there is no rule, regulation, or requirement applicable to such purchaser or transferee that is inconsistent with the foregoing description of the Company, the Board and the Investment Adviser.

US Tax Matters

This discussion does not constitute tax advice and is not intended to be a substitute for tax advice and planning. Prospective holders of the Company's securities must consult their own tax advisers concerning the US federal, state and local income tax and estate tax consequences in their particular situations of the acquisition, ownership and disposition of any of the Company's securities, as well as any consequences under the laws of any other taxing jurisdiction.

The Company's Directors are entitled to decline to register a person as, or to require such person to cease to be, a holder of any class of Ordinary shares or other equity securities of the Company if they believe that: such person is, or is related to, a citizen or resident of the United States, a US partnership, a US corporation or a certain type of estate or trust and that ownership of any class of Ordinary shares or any other equity securities of the Company by such person would materially increase the risk that the Company could be or become a "controlled foreign corporation" (a "CFC").

In general, a foreign corporation is treated as a "CFC" only if its "US shareholders" collectively own more than 50% of the total combined voting power or total value of the corporation's stock. A "US shareholder" means any US person who owns, directly or indirectly through foreign entities, or is considered to own (by application of certain constructive ownership rules), 10% or more of the total combined voting power of all classes of stock of a foreign corporation, such as the Company.

There is a risk that the Company will decline to register a person as, or to require such person to cease to be, a holder of the Company if the Company could be or became a CFC. The Company's treatment as a CFC could have adverse tax consequences for US taxpayers.

The Company is expected to be treated as a "passive foreign investment company" ("PFIC"). The Company's treatment as a PFIC is likely to have adverse tax consequences for US taxpayers.

The taxation of a US taxpayer's investment in the Company's securities is highly complex. Prospective holders of the Company's securities must consult their own tax advisers concerning the US federal, state and local income tax and estate tax consequences in their particular situations of the acquisition, ownership and disposition of any of the Company's securities, as well as any consequences under the laws of any other taxing jurisdiction.